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## OVERALL SUMMARY

**January 10 through April 18, 2000**  
**100 Calendar Days – 60 Session Days**

**General Effective Date for Nonemergency Legislation**  
**July 18, 2000**

### OVERALL SUMMARY

	HOUSE	SENATE	TOTAL
Bills introduced . . . . .	721	559	1,280
Memorials and Resolutions introduced . . . . .	57	36	93
	778	595	1,373
Bills transmitted to Governor . . . . .	213	207	420
Bills signed by Governor . . . . . (Line item vetoes: HB's 2104, 2409, SB's 1280, 1504)	202	200	402
Became law without Governor's signature . . . . . (HB's 2097, 2600, SB 1508)	2	1	3
Bills vetoed by Governor . . . . .	9	6	15
Total Chapters (Session Laws) . . . . .	204	201	405
Joint Resolutions transmitted to and Signed by Governor . . . . .	1	0	1
Memorials and Resolutions transmitted to Secretary of State . . . . .	14	11	25

## OVERALL SUMMARY

### Summary of House Bills, Memorials & Resolutions

#### HOUSE ACTION

House Bills introduced                      721

Transmitted to Senate ..... 347

Held in House Committees..... 275

Failed in House Committees..... 15

HB 2005	HB 2289	HB 2453	HB 2667
HB 2064	HB 2378	HB 2454	HB 2700
HB 2249	HB 2445	HB 2598	HB 2702
HB 2278	HB 2452	HB 2638	

Held in Rules Committee..... 19

HB 2032	HB 2056	HB 2204	HB 2447	HB 2593
HB 2045	HB 2057	HB 2247	HB 2477	HB 2604
HB 2052	HB 2138	HB 2252	HB 2486	HB 2668
HB 2055	HB 2184	HB 2254	HB 2569	

Held awaiting Committee of the Whole..... 24

HB 2024	HB 2196	HB 2323	HB 2475	HB 2644*
HB 2035	HB 2205*	HB 2333	HB 2524*	HB 2666*
HB 2063	HB 2283*	HB 2360	HB 2577*	HB 2695*
HB 2096	HB 2297	HB 2369	HB 2585	HB 2711*
HB 2108*	HB 2308	HB 2448	HB 2601*	

\*Retained on the Calendar

Failed in Committee of the Whole ..... 9

HB 2006	HB 2436	HB 2508	HB 2587	HB 2608
HB 2122	HB 2488	HB 2511	HB 2594	

Held awaiting Third Reading ..... 12

HB 2207	HB 2464	HB 2513	HB 2516
HB 2286	HB 2495	HB 2514	HB 2582
HB 2423	HB 2512	HB 2515	HB 2628

Failed on Third Reading..... 19

HB 2022	HB 2133	HB 2349	HB 2526	HB 2586
HB 2074*	HB 2225*	HB 2480*	HB 2556	HB 2597*
HB 2086	HB 2235	HB 2509	HB 2561	HB 2674
HB 2124*	HB 2327	HB 2522	HB 2567	

\*Failed on Third Reading on Reconsideration

## OVERALL SUMMARY

Substitution on Third Reading.....	1
HB 2429 (SB 1022 substituted on Third Reading)	

### SENATE ACTION

House Bills transmitted to the Senate.....	347
Passed by the Senate and returned to House .....	228
Held in Senate .....	113
Failed on Third Reading.....	6
HB 2003 HB 2156 HB 2361	
HB 2082 HB 2353 HB 2462	

Held awaiting House action on Senate amendments: HB's 2198, 2304, 2312, 2437

### HOUSE CONCURRENT MEMORIALS

House Concurrent Memorials introduced .....	7
Transmitted to Secretary of State .....	1
HCM 2003	
Held in House Committees.....	3
HCM 2001 HCM 2002 HCM 2004	
Failed in Senate on Third Reading .....	3
HCM 2005 HCM 2006 HCM 2007	

### HOUSE RESOLUTIONS

House Resolutions introduced	8
Transmitted to Secretary of State .....	7
Held in House Committees.....	1
HR 2003	

### HOUSE CONCURRENT RESOLUTIONS

House Concurrent Resolutions introduced .....	41
Transmitted to Secretary of State .....	6
HCR 2004 HCR 2028 HCR 2040	
HCR 2019 HCR 2038 HCR 2041	
Held awaiting First Reading.....	1
HCR 2039	

## OVERALL SUMMARY

Held in House Committees.....	14
HCR 2002      HCR 2012      HCR 2022      HCR 2033	
HCR 2003      HCR 2018      HCR 2024      HCR 2036	
HCR 2007      HCR 2020      HCR 2026	
HCR 2009      HCR 2021      HCR 2030	
Failed in House Committees.....	3
HCR 2005      HCR 2013      HCR 2031	
Held awaiting Committee of the Whole.....	4
HCR 2008      HCR 2017      HCR 2023      HCR 2034*	
*Retained on the Calendar	
Failed in Committee of the Whole .....	3
HCR 2001      HCR 2025      HCR 2029	
Held awaiting Third Reading .....	1
HCR 2006	
Held in Senate .....	9
HCR 2010      HCR 2015      HCR 2032	
HCR 2011      HCR 2016      HCR 2035	
HCR 2014      HCR 2027      HCR 2037	

### **HOUSE JOINT RESOLUTIONS**

House Joint Resolutions introduced.....	1
Transmitted to Governor.....	1

### **CONFERENCE ACTION**

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Conference Committees discharged, House concurred in	
Senate amendments and Final Passage .....	6
HB 2079      HB 2216      HB 2239	
HB 2125      HB 2226      HB 2487	
Held awaiting House adoption of Conference Committee Report .....	1
HB 2111	
Failed in House on Final Passage per Conference Committee Report.....	1
HB 2460	
Held in Conference Committee .....	1
HB 2335	

## OVERALL SUMMARY

YEAR	TOTAL BILLS INTRODUCED	BILLS SENT TO GOVERNOR	VETOED	VETO OVERRIDEN	TOTAL BECAME LAW	SUCCESS %
HOUSE						
2000	721	213	9	0	204	28.3%
1999	706	204	10	0	194	27.5%
1998	698	175	5	0	170	24.4%
1997	577	140	0	0	140	24.3%
1996	571	193	12	0	181	31.7%
1995	550	145	2	0	143	26.0%
1994	598	187	0	0	187	31.3%
1993	393	123	1	0	122	31.0%
1992	597	222	4	0	218	36.5%
1991	503	181	5	0	176	35.5%
1990	692	265	4	0	261	37.7%
SENATE						
2000	559	207	6	0	201	36.0%
1999	419	170	11	0	159	37.9%
1998	431	140	7	0	133	30.9%
1997	468	167	7	0	160	34.2%
1996	425	192	5	0	187	44.0%
1995	407	163	6	0	157	38.6%
1994	565	193	0	0	193	34.2%
1993	433	138	1	0	137	31.6%
1992	545	147	4	0	143	26.2%
1991	476	153	7	0	146	30.7%
1990	559	152	1	0	151	27.0%
TOTAL						
2000	1,280	420	15	0	405	31.6%
1999	1,125	374	21	0	353	31.4%
1998	1,129	315	12	0	303	26.8%
1997	1,045	307	7	0	300	28.7%
1996	996	385	17	0	365	36.6%
1995	957	308	8	0	300	31.3%
1994	1,163	380	0	0	380	32.7%
1993	826	261	2	0	259	31.4%
1992	1,142	369	8	0	361	31.6%
1991	979	334	12	0	322	32.9%

## OVERALL SUMMARY

1990	1,251	417	5	0	412	32.9%
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**TABLE 1**  
**Summary of Bills Containing General Fund Appropriations**

Bill #	Short Title	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	Explanation
HB 2085 CH. 201	secretary of state; census; appropriations	\$150,000	\$0	\$0	\$0	Makes a FY 1999-00 supplemental appropriation to the Secretary of State's Office for census support, awareness and coordination.
HB 2216 CH. 298	libraries; grants in aid	\$0	\$300,000	\$0	\$0	Appropriates monies to the Department of Library, Archives and Public Records for grants-in-aid to libraries throughout the state.
HB 2230 CH. 209	named claimants; appropriations	\$511,214	\$0	\$0	\$0	Transfers \$103,649 from various other funds to the state general fund and then appropriates the sum of \$511,214 from the general fund for the payment of claims made against various state agencies.
HB 2231 CH. 2	appropriation adjustments; education	\$41,929,300	\$0	\$0	\$0	Makes a FY 1999-00 supplemental appropriation to the Department of Education to fund faster than budgeted student growth, additional statutory and constitutional homeowners property tax relief, and higher than anticipated special education voucher costs.
HB 2262 CH. 383	Arizona job training; tax	\$0	(\$3,500,000)	\$0	\$0	Ex-appropriates \$3,500,000 in monies allocated to the Department of Commerce for workforce recruitment and training, which are to be replaced by monies from a job training employer tax equal to 1/10 of 1% of taxable wages paid annually to each employee.
HB 2319 CH. 217	appropriation; Hopi senior center	\$0	\$50,000	\$0	\$0	Appropriates monies to the Department of Economic Security for distribution to the Hopi Tribal Council for engineering and construction of a senior citizens' center at Kykotsmovi.
HB 2329 CH. 48	conformity; tax relief; fiscal control	See explanation	See explanation	See explanation	See explanation	Makes technical corrections to Laws 1999, Chapter 5, 1st Special Session, which "triggered" various appropriations based upon certain FY 1999-00 and FY 2000-01 excess general fund revenues. While this bill appears to make new appropriations, it is in fact merely restating previously enacted appropriations and, as such, has no new net impact upon the general fund.
HB 2379 CH. 344	joint technological education districts	\$0	\$250,000	\$0	\$0	Appropriates monies to the Department of Education for one-time capital funding for a vocational technical education demonstration project in an existing structure.
HB 2405 CH. 377	AIMS; intervention; dropout prevention	\$0	\$50,000	\$0	\$0	Appropriates monies to the Department of Education for AIMS intervention and dropout prevention programs.
HB 2427 CH. 238	appropriations; department of law	\$0	\$300,000	\$0	\$0	Appropriates monies to fund an attorney salary increase for employees of the Attorney General's Office and the Department of Economic Security.
HB 2517 CH. 51	commerce; apprenticeship services	See explanation	See explanation	See explanation	See explanation	Transfers the business apprenticeship services from the Department of Economic Security (DES) to the Department of Commerce. As a result of the transfer, the DES budget is reduced by (\$151,300) and the Department of Commerce budget is increased by the same amount, resulting in no general fund impact.
HB 2520 CH. 378	AHCCCS; finger imaging	\$0	\$200,000	\$0	\$0	Appropriates monies to AHCCCS Administration for the purpose of hiring personnel to implement the finger imaging program as prescribed in the bill.
HB 2527 CH. 178	department of public safety; appropriation	\$0	\$300,000	\$0	\$0	Appropriates \$300,000 to the Department of Public Safety (DPS) for the costs associated with hiring an additional 4 DPS officers.



HB 2564 CH. 3	supplemental appropriations; adjustments	\$6,988,700	\$1,736,400	\$0	\$0	Enacts FY 1999-00 supplemental appropriations for a number of state agencies, as well as a \$1,736,400 supplemental appropriation to the State Board of Directors for Community Colleges in FY 2000-01 to reflect more accurate student count numbers.
HB 2578 CH. 379	appropriation; Navajo senior centers	\$0	\$50,000	\$0	\$0	Appropriates monies to the Department of Economic Security for Navajo senior center services.
HB 2620 CH. 380	appropriation; Ganado school district	\$0	\$50,000	\$0	\$0	Appropriates monies to the State Board of Education for capital costs for a Ganado School District comprehensive education center to house a comprehensive educational program in partnership with institutions of higher education.
HB 2689 CH. 367	appropriation; high technology clusters	\$0	\$100,000	\$0	\$0	Appropriates monies to the Department of Commerce for grants for capital formation, workforce development, telecommunications infrastructure buildout, high technology image marketing enhancement and technology transfer.
SB 1016 CH. 195	appropriation; World War II memorial	\$0	\$69,000	\$0	\$0	Appropriates monies to the veterans donations fund for distribution to the National Memorial Advisory Board for deposit in the World War II Memorial Fund to build a national memorial in Washington, D.C. to honor the veterans of World War II.
SB 1055 CH. 387	tax levy; juvenile facilities	\$0	\$100,000	\$0	\$0	Appropriates monies to the county jail juvenile improvement fund for use by the Arizona Criminal Justice Commission for the construction of juvenile beds in county jail facilities.
SB 1074 CH. 221	internet crimes; appropriation	\$0	\$200,000	\$0	\$0	Appropriates \$100,000 each to the Department of Public Safety and the Department of Law to work together, through an intergovernmental agreement, to combat all internet crimes but with a priority on sexual crimes and abuse involving minors.
SB 1079 CH. 228	appropriation; NAU science building	\$0	\$750,000	\$0	\$0	Appropriates monies to Northern Arizona University to purchase furnishings and equipment for the new biology/biochemistry building
SB 1184 CH. 244	water studies; appropriation	\$0	\$500,000	\$0	\$0	Appropriates monies to the Department of Water Resources for rural water studies.
SB 1202 CH. 111	board of athletic training	\$0	\$60,000	\$0	\$0	Appropriates monies for the start-up and operating costs of the Board of Athletic Training.
SB 1233 CH. 245	appropriation; project challenge	\$0	\$100,000	\$0	\$0	Appropriates monies to the Department of Emergency and Military Affairs (DEMA) for capital costs to relocate the physical facilities of the Project Challenge Youth Intervention program.
SB 1301 CH. 354	appropriation; underground storage tanks	\$0	\$250,000	\$0	\$0	Appropriates monies to the Department of Environmental Quality for deposit in the Area A account of the underground storage tank revolving fund assurance account for the purpose of paying claims for coverage of corrective actions costs.
SB 1330 CH. 355	health care plans; oversight	\$0	\$500,000	\$0	\$0	Appropriates monies to the Department of Insurance for 4 full-time equivalent positions and use by the director of the department in complying with the additional duties prescribed by the bill.
SB 1353 CH 373	DNA testing; felony offenders	\$0	\$187,000	\$0	\$0	Appropriates \$187,000 to the Department of Public Safety to implement, conduct and maintain deoxyribonucleic acid testing.
SB 1559 CH. 226	school safety omnibus	\$0	\$1,000,000	\$0	\$0	Appropriates \$150,000 to the Department of Education (ADE) to establish a central clearinghouse within ADE for information concerning school safety, \$770,000 to ADE for the Safe Schools program, and \$80,000 to the Attorney General's Office for the School Conflict Mediation Program Hotline established by the bill.

**TABLE 2**  
**Summary of Bills Containing Other Fund Appropriations**

Bill #	Short Title	FY 1999-00	FY 2000-01	FY 2001-02	FY 2002-03	Explanation
HB 2001 CH. 198	commercial vehicles; plate to owner	\$0	\$900,600	\$0	\$0	Appropriates \$900,600 from the state highway fund to the Department of Transportation to establish a "plate-to-owner" system requiring a vehicle owner to retain the license plates upon ownership transfer of a vehicle, and if applicable, transfer the license plates to a replacement vehicle
HB 2019 CH. 1	Arizona state hospital; appropriation	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	Transfers \$20,000,000 each fiscal year from the interest earnings on the budget stabilization fund to the new Arizona State Hospital capital construction fund, and appropriates that same amount out of that fund to the Department of Administration for the demolition, renovation and construction of the Arizona State
HB 2033 CH. 333	appropriation; transportation projects	\$0	\$1,540,100	\$0	\$0	Appropriates monies from the safety enforcement and transportation infrastructure fund to the Department of Transportation for various border ports-of-entry enhancements.
HB 2068 CH. 392	appropriation; national law center	\$0	\$100,000	\$0	\$0	Appropriates monies from the commerce and economic development fund to the Department of Commerce for the National Law Center for Inter-American Free Trade.
HB 2073 CH. 185	state land; emergency management	\$0	\$447,000	\$0	\$0	Appropriates \$447,000 from the state fire suppression fund to the State Land Department for the Wild Land Fire program.
HB 2087 CH. 186	automobile theft authority; appropriation	\$0	\$150,000	\$0	\$0	Transfers \$150,000 from the vehicle inspection and title enforcement fund to the automobile theft authority (ATA) fund, and appropriates that amount from the ATA fund to the ATA for the purposes of educating the public about automobile theft, border enforcement and funding at least 2 prosecutors to prosecute automobile theft.
HB 2199 CH. 393	workers' compensation; Arizona works participants	\$0	\$5,616,963	\$0	\$0	Appropriates \$2,707,663 from the temporary assistance to needy families (TANF) block grant to the Department of Economic Security (DES) for employee performance incentive bonuses and for upgrade and replacement of automation network infrastructure and equipment, and appropriates \$2,909,300 from TANF to DES for various marriage skills, teen pregnancy prevention, perinatal substance abuse treatment, food stamp outreach and education and permanent guardianship programs.
HB 2291 CH. 362	domestic violence; federal funds; appropriation	\$0	\$3,000,000	\$0	\$0	Appropriates monies from the TANF block grant to the Department of Economic Security for emergency domestic violence shelter services and legal and lay advocacy services for qualifying domestic violence victims and their children.
HB 2409 CH. 381	appropriation; floodway control	\$0	\$360,000	\$0	\$0	Appropriates \$360,000 from the fire suppression fund to the Department of Emergency and Military Affairs for distribution to Bisbee for the state or local matching portion of the cost of completing the Mule Gulch floodway channel and other disaster related damages.

HB 2427 CH. 238	appropriations; department of law	\$0	\$3,513,200	\$0	\$0	Appropriates \$313,200 from various state funds for an attorney salary increase for employees of the Attorney General's Office and the Department of Economic Security and appropriates \$2,450,000 from the victims' rights fund to the Attorney General's Office for operating expenditures and enhanced crime victim compensation and treatment. In addition, the bill also appropriates \$750,000 from the victim compensation and assistance fund to the Arizona Criminal Justice Commission for victim compensation.
HB 2482 CH. 327	EMTs; first responders; definition	\$0	\$100,000	\$0	\$0	Appropriates monies from the emergency medical services operating fund to the Department of Health Services for a demonstration project to contract for central medical direction for emergency medical services.
HB 2497 CH. 363	appropriation; juvenile detention centers	\$2,100,000	\$0	\$0	\$0	Appropriates monies from the corrections fund to the Administrative Office of the Courts for deposit in the state aid to detention fund for providing state assistance to counties in maintaining, expanding and operating juvenile detention centers.
HB 2527 CH. 178	department of public safety; appropriation	\$0	\$156,300	\$0	\$0	Appropriates \$97,700 from the criminal justice enhancement fund to the Department of Public Safety (DPS) for additional personnel and operating expenditures to process school bus driver licenses, and appropriates \$58,600 from that same fund to DPS to process firearm clearance applications.
HB 2564 CH. 3	supplemental appropriations; adjustments	\$14,702,400	\$25,119,000	\$0	\$0	Enacts various FY 1999-00 and FY 2000-01 supplemental appropriations for a number of state agencies.
HB 2609 CH. 274	appropriation; motor vehicle division projects	\$0	\$2,750,400	\$0	\$0	Appropriates monies from the state highway fund to the Department of Transportation for various Motor Vehicle Division customer service projects.
HB 2681 CH. 403	BOMEX; appropriation	\$0	\$727,500	\$0	\$0	Makes a supplemental appropriation out of the state medical examiners board fund to the Board of Medical Examiners (BOMEX).
HB 2709 CH. 163	school facilities board; rule-making	\$760,000	\$450,000	\$0	\$0	Makes a FY 1999-00 supplemental appropriation of \$760,000 from the deficiencies correction fund to the School Facilities Board for the initial assessment of school facilities and equipment and a FY 2000-01 appropriation of \$450,000 from the fund to the Board for operating expenditures.
SB 1067 CH. 304	appropriation; psychotropic and antidepressant medications	\$0	\$13,600,000	\$0	\$0	Appropriates monies from the medically needy account of the tobacco tax and health care fund to the Department of Health Services for non-Title XIX psychotropic and all other mental health medications.
SB 1132 CH. 86	regulating home inspectors	\$0	\$75,000	\$0	\$0	Appropriates monies from the technical registration fund to the State Board of Technical Registration for the start-up and operating costs of regulating home inspectors.
SB 1263 CH. 81	residential care institutions; fingerprinting requirements	\$0	\$40,000	\$0	\$0	Appropriates monies from the fingerprint clearance card fund to the Board of Fingerprinting for a full time employee position to carry out the purposes provided in the bill.
SB 1265 CH. 197	corporation commission; appropriation	\$0	\$372,200	\$0	\$0	Appropriates \$200,000 from the securities regulatory and enforcement fund to the Corporation Commission for the investigation and prosecution of securities fraud, \$42,200 from the utility regulating revolving fund to the Corporation Commission for hearing officer expenses, and \$130,000 from that same fund for audits, studies, investigations and rate hearings expenditures by the Utilities Division.

SB 1280 CH. 382	dependency, employment; substance abuse treatment	\$0	\$10,000,000	\$0	\$0	Appropriates \$10,000,000 from the Temporary Assistance to Needy Families (TANF) block grant to the joint substance abuse treatment fund for substance abuse treatment services. NOTE: The Governor line-item vetoed appropriations of \$10,000,000 in each of the FY 2001-02 and 2002-03 for the same purposes.
SB 1281 CH. 246	old capitol restoration; appropriation	\$0	\$450,000	\$0	\$0	Appropriates monies from the legislative, executive and judicial public buildings land fund to Legislative Council for the renovation of the State Capitol Museum and installation of a fire alarm and sprinkler system in the Legislative Services Wing of the State Capitol building.
SB 1335 CH. 99	airport; Grand Canyon national park	See explanation	See explanation	See explanation	See explanation	Appropriates all amounts in the Grand Canyon National Park Airport account of the state aviation fund to the Department of Transportation for the fiscal year in which this act becomes effective, and transfers that amount to the non-profit corporation leasing the Grand Canyon National Park Airport on the effective date of the lease.
SB 1353 CH 373	DNA testing; felony offenders	\$0	\$40,000	\$0	\$0	Appropriates \$40,000 from the deoxyribonucleic acid identification system fund to the Department of Public Safety to implement, conduct and maintain deoxyribonucleic acid testing.
SB 1446 CH. 253	appropriation; game and fish; salaries	\$0	\$732,500	\$0	\$0	Appropriates monies from 3 separate funds to the Department of Game and Fish for special market salary adjustments for all covered employees who are occupying wildlife series job classifications on July 1, 2000.
SB 1452 CH. 131	environment; liability; storage tanks	\$0	\$20,000	\$0	\$0	Appropriates \$20,000 from the underground storage tank fund to the Department of Environmental Quality for the purposes of paying the administrative costs associated with the underground storage tank policy commission and the operation of the underground storage tank technical appeals panel.
SB 1504 CH. 405	2000 Clean Air Act	\$0	\$2,400,000	See explanation	\$0	Appropriates monies from the Arizona Clean Air Fund to the voluntary vehicle repair and retrofit fund to convert conventionally fueled vehicles eligible for participation in the program to operate on alternative fuel. (NOTE: The Governor line-item vetoed an appropriation of \$300,000 from the same fund in FY 2001-02 for the same purposes.) In addition, the bill appropriates all monies deposited in the emissions inspection fund in FY 2000-01 and FY 2001-02 to the Department of Environmental Quality for the purpose of reducing the emissions inspection fees in Area A and Area B.

**List of Bills**

Bill	Chapter	Short Title
HB 2001	n/a	random gunfire
HB 2002	n/a	supplemental appropriation state hospital
HB 2003	n/a	Arizona state hospital; appropriation

*No legislation was enacted during the Third Special Session of the 44<sup>th</sup> Legislature.*

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**List of Bills**

Bill	Chapter	Short Title	Page
SB 1001	1	growing smarter plus.....	4
SCR 1001	n/a	growing smarter plus.....	4

## **SB 1001 (& SCR 1001) – Chapter 1 – growing smarter plus**

*SB 1001 and SCR 1001 were substituted on final passage for HB 1001 and HCR 1001 and are summarized together. Changes marked by "\*\*\*" are effective if the State Constitution is amended at the next general election and the Enabling Act is amended by Congress to allow the designation of state trust lands for the Arizona Conservation Reserve and the donation of state trust lands for school sites.*

### **Arizona Conservation Reserve \*\***

Amends the State Constitution to establish the Arizona Conservation Reserve (ACR) for the identification and conservation of state trust lands with cultural, historical, paleontological, natural resource or geologic features. (Constitution- article 10, section 1, A. 2. and article 10, section 14)

### **Restrictions**

- The total amount of state trust land that may be designated as ACR land is no greater than three per cent of the lands held in each trust on the date on which the Enabling Act amendment is approved by Congress. This limitation does not apply to lands exchanged at fair market value. (Constitution article 10, section 14, B.)
- The ACR lands designation process is discretionary; there is no presumption or expectation; there is no right of action to compel designation. (Constitution article 10, section 14, G)

### **Nomination**

- ACR properties must be threatened by development within 20 years (ARS 37-318.01 B.), meet the physical criteria of Arizona Preserve Initiative (API) lands, and either: 1. contain cultural, historic, paleontological, or natural resources

which are unusually rich in integrity of condition or setting, and which are at least of a regional or statewide interest or importance, or, 2. contain two or more of the following features:

1. A landform or geologic feature which represents a significant local or regional landmark.
  2. The slopes of the landform or geologic feature exceed 15% as determined by a slope area analysis.
  3. A watercourse which is the main stem of a named watercourse by the US Geological Survey.
  4. A watercourse designated by the Federal Emergency Management Agency as a major watercourse.
- A local government may nominate eligible lands within its jurisdiction by resolution for designation as ACR lands. (Constitution article 10, section 14, C; ARS 38-318.01 A.)
  - The nomination shall include a plan for the management of the land. (ARS 37-318.01 C. 1.) One of the following options must be selected:
    1. Purchase of the land by a local government, state agency or Indian tribe at fair market value less the cost of development rights, or, exchange the land for other public land of an equal fair market value.
    2. Management of the lands by a city, town, county, state agency or Indian tribe pursuant to an intergovernmental agreement (IGA) with the State Land Department (SLD) and consistent with the continued use of the lands by the



existing lessee and administration by the SLD.

3. Management by a lessee pursuant to an agreement with the SLD with possible renewal incentives.

***Review by State Land Commissioner (SLC) and ACR Commission (Constitution article 10, section 14, C.)***

- Local government nominations are forwarded to the SLC for a determination of whether the nominated parcels are consistent with the ACR criteria, along with an independent appraisal and an independent review appraisal of the fair market value of the trust land. (ARS 37-318.01 C. 2.) (The appraisal is not used for the subsequent sale of the property.)
- The SLC forwards recommendations to a seven-member citizen commission within 12 months. The SLC recommendations shall include whether the lands meet the ACR requirements. (ARS 37-318.01 D.) The commission is appointed by the Governor (for staggered terms) and confirmed by the Senate. The members on the ACR shall represent different geographic areas and have expertise in relevant fields such as hydrology, environmental sciences, biology, finance, etc. The SLC shall serve as an ex-officio, non-voting member. (ARS 38-318)
- The ACR commission shall hold at least one public hearing to evaluate each nomination. The commission shall consider the proposed management plans, effect on trust beneficiaries, amount of private land and open space in the area in which the land is located, whether the designation will affect the value of other trust lands, and appraised value. (ARS 37-318.02 A. and B.)

- The ACR commission shall act on each nomination within 12 months and submit those parcels to the Legislature by November 1 of each odd-numbered year. Nomination of lands considered but not submitted to the Legislature lapses. (The lands may be renominated.) If nominated lands are not considered, the nomination does not lapse and remains on the ACR commission agenda. Once the commission submits the list of lands it finds to be qualified to the Legislature, the SLC shall withdraw those lands from lease or sale for development purposes until the lands are disapproved of by the Legislature, Governor or voters. (ARS 37-318.02 C.)

***Legislative Action***

- The Legislature cannot amend that package (other than minor technical and clerical errors. (ARS 37-318.02 D.)
- The Legislature, in the regular session in even-numbered years, shall consider the package:
  1. Approve the package in a bill by a 2/3 vote of each house (signed by the Governor). The package is approved and the properties are transferred for designation. (Constitution article 10, section 14, D. 1 and ARS 37-318.02 D. 1) If the Governor vetoes the bill, it may be subsequently approved by a 3/4 vote of each house and the lands are transferred for designation.
  2. Approve the package in a concurrent resolution by a simple majority vote of both houses, in which case the package is referred to the next general election ballot. (Constitution article 10, section 14, D. 2 and ARS 37-318.02 D. 2.-- includes JLBC analysis of economic impact and legal and general description of the lands)

3. If either house on a recorded floor vote fails to approve either a bill or resolution, the nomination lapses and may be renominated. (ARS 37-318.02 E.)
4. If either house fails to take a recorded floor vote on either a bill or resolution, the ACR commission transmits the list to the Secretary of State who places the proposition on the next regular general election ballot. (with the same information as #2 above) (ARS 37-318.02 F.)

### ***Land Disposition***

- The lands may be sold, exchanged or transferred to local governments that nominated the land, or to a state agency or Indian tribe (sale is fair market value less the value of development rights) (Constitution article 10, section 3, C. 4.-- sale or disposition without advertisement or auction; article 10, section 4, B. 1-- sold for not less than appraised true value minus the value of development rights; article 10, section 14, F; ARS 37-318.03 E.) Conveyance of title is subject to covenant that the land shall be used only for purposes that are consistent with the conservation or preservation of the specifically named resources or public values. (Constitution article 10, section 14, F. and ARS 37-318.03 E.) The state and the SLD are not liable for damages on ACR lands conveyed to or managed by a local government. (ARS 37-318.03 F.)
- The designation of lands as ACR lands shall have no effect on: 1. existing leases (they shall not be cancelled or modified-- ARS 37-318.03 C.), 2. authorized public access to or recreational activities on the land including hunting and fishing, 3. existing water rights. (ARS 37-318.03 B.)

- The SLC may offer non-monetary renewal incentives to a lessee to promote sound stewardship and long term agricultural and grazing productivity, including extended lease terms and renewal preferences without advertisement or auction. (ARS 37-318.03 C.). If the lease is cancelled or modified due to a sale and the purchaser and existing lessee cannot agree on compensation, the SLC shall determine the compensation based on: remaining lease term, actual use, rentals paid, actual amount of economic damage and other relevant factors. (ARS 37-318.03 D.) (same as API)

### ***2000 Ballot***

- A package of lands is nominated for designation in the HCR. These initial lands are 41 parcels in 10 counties. Maps are filed in the Secretary of State's Office. (Section 9 of SCR)

### ***Other State Land Department Changes***

#### ***Land For Schools***

- Permits the SLC to make state trust land available for K-12 without compensation based on recommendation by the School Facilities Board. Land reverts if not used. (Constitution article 10, section 4, B. 2.; article 10, section 13-- economic impact review, public hearing, covenant with reversion, without compensation or public auction, no presumption that nominated land must be donated to a school district.) (No right of action to compel donation.) (Constitution article 10, section 4, B. 2)
- \*\*School Facilities Board may receive and evaluate requests from school districts in coordination with district's capital plan; nominations are forwarded to SLC; donations considered in determining distributions from new school facilities fund. (ARS 15-2002 G.) SLC reviews nominations: condition of lands and

economic impacts; public hearing; determines whether donation would be appropriate. (ARS 37-222)

***State Land Conservation Exchange***

- Allows for land exchange for other public lands (Constitution article 10, section 12.) Conditions: best interest of the trust; purpose is to conserve open space; two independent appraisals; analysis shows income comparability and local fiscal impacts; public notice and hearings.

***\*\*Small Lot Sales***

- Requires SLD as part of conceptual land use planning to identify those state lands that are suitable for either affordable housing or small lot sales to individual purchasers; must be in the best interests of the trust. (Constitution article 10, section 4, B. 3 and ARS 37-331.03 D. 1 )

***Stewardship Recognition***

- Allows SLD to provide non-monetary incentives in agriculture and grazing leases to promote sound stewardship and land management practices and long-term agriculture productivity of trust lands. (Constitution article 10, section 3 C. 1-- agriculture or grazing lease terms for longer than ten years without advertising or auction for long term productivity; article 10, section 10, 3.-- agricultural and grazing leases for greater than 10 year term to promote sound stewardship and long term agricultural and grazing productivity without advertisement or auction). The SLC may offer non-monetary renewal incentives to a lessee of ACR lands to promote sound stewardship and land management practices including extended lease terms and renewal preferences without advertisement or auction. (ARS 37-318.03 C.)

***\*\*Contributory Value***

- The creation of open space is allowed by permitting the SLC to capitalize on the demonstrated increase in the value of trust land adjacent to or in proximity to lands conserved for open space in a development context. (Constitution article 10, section 4, B. 3.)
- SLC may donate state trust land for conservation purposes to a local government as part of a development plan to the extent a cost benefit analysis indicates a value benefit to the remaining state trust land. (ARS 37-213) A recommendation is transmitted to the Board of Appeals.

***State Land Department Modernization***

- Reduce advertising period required before a lease or sale auction of trust land. Allow State Land Department to retain five per cent of revenues from sales and royalties to provide better stewardship for its holdings and non-salary operating expenses and the sale of natural products without an auction. (Constitution: article 10, section 2 B.; article 10, section 3 B.-- reduces minimum advertising period from 10 weeks to 5 weeks; article 10, section 7 A. 1-- not more than five per cent derived from sales and leases may be used for managing and planning trust land; article 10, section 3, C. 5-- small quantity sales of natural products for non commercial purposes without advertisement or auction).

***Land-Use Planning***

***Citizen Participation***

- Cities subject to Growing Smarter planning element requirements (population threshold) are required to submit each new general plan to the voters for ratification on one of the four scheduled election dates. If voters fail to

approve the new plan, the current plan remains in effect until the new plan is approved. Council may choose to re-refer the same plan or refer a revised plan. (ARS 9-461.06 L.)

- ARS 9-461.06 B. 2 and C.; ARS 11-806. D. 2. and F. -- Opportunity for official review and comments on a city general plan or a county comprehensive plan by a variety of entities.
- ARS 9-462.03 A. and ARS 11-829 B.— Local governments must adopt an ordinance for a public hearing and a citizen review process for rezoning applications that requires a public hearing; components must include: notifying and informing citizens and landowners and an opportunity for those parties to express issues and concerns. This is applicable to zoning changes, new regulations and deletions and modifications of those regulations. (ARS 9-462.03 B.)

#### ***Service Area Limits***

- Local governments may adopt a plan and regulations for infrastructure service area boundaries consistent with the growth element of the plan (and considering all elements of the plan) beyond which there may be limits or conditions on publicly financed water, sewer, and street improvements that are necessary to service the needs created by the new development. Regulations shall provide for establishing the procedure for the initial infrastructure service area boundaries and for adjusting the boundaries. (ARS 9-461.08 B. 4)
- The county planning and zoning commission shall hold at least one public hearing on the service area boundaries and the board of supervisors must adopt the plan and regulations by resolution. (ARS 11-826)

#### ***Subdivision/Lot Splits***

- ARS 9-463.01 M. and ARS 11-806.01 J. -  
- For any subdivision which consists of 10 or fewer lots, the local government may waive the requirements for a preliminary plat and may waive or reduce infrastructure standards or requirements except for improved dust controlled access and minimum drainage improvements.
- ARS 11-806.03-- Seller (and subsequent sellers) of five or fewer parcels other than subdivided land in an unincorporated area shall provide a written affidavit of disclosure to buyer at least seven days before the transfer containing the status of the following items: legal and physical access; who is responsible for road maintenance; information on floods, utilities, water supply, septic facilities, and emergency vehicle access; whether the sale meets the requirements of ARS 11-809 (see below) and if not, the deficiencies must be disclosed to the buyer. The buyer has the right to rescind sales transaction for a period of five days after receiving the affidavit and the executed affidavit must be recorded at time of transfer by the seller of the deed.
- ARS 11-809-- Discretionary authority (based on board of supervisors adopting ordinances or via a ballot issue to the voters) for staff review and approval of land divisions of five or fewer lots, any of which is 10 acres or smaller in size; may not deny approval if requirements are met; 30 days of no action by the county equals approval of the land division.
  1. An application shall be approved if: minimum applicable county zoning requirements are met; preliminary title report demonstrating legal access is provided; there is a statement from a licensed surveyor or engineer stating

whether there is physical access by a 2WD vehicle. The county may grant a variance from one or more of these items.

2. If the application does not comply, it will still be approved if applicant confirms that no building or use permit will be issued until the requirements have been met.
3. Approvals may include minimum statutory requirements for legal and physical on site access that must be met as a condition of the issuance of a building or use permit, and, site constraints that must be addressed as conditions to the issuance of a building or use permit. (Current statute for five or fewer lots which do not result in a subdivision require minimum applicable county zoning and legal access.)

***Development agreements/fees***

- Authorizes counties to impose development fees similar to current municipal development fee statutes. (Repeal of ARS 11-1101, 11-1102 and 1104 through 1109 and new ARS 11-1101 and 1102)
- County has discretionary authority to enter into development agreements relating to property outside incorporated areas. Components of agreement may include: duration, property use, density, reservation of lands for public purposes, development timeframes, etc. (ARS 11-1101 B.); must be consistent with county comprehensive plan; can be amended or cancelled in whole or in part by mutual consent; county must file with county recorder; binding on parties and successors; county may enforce speed limits and vehicle weight restrictions on a private road open to and used by the

public if there is written consent of a property owner that has entered into a development agreement.

- County has discretionary authority to assess development fees (if the county has adopted a capital improvement plan) to offset capital costs associated with providing certain necessary public services. Criteria: result in beneficial use to development, separate account, fee payment schedule, fees must bear a reasonable relationship to services; 120 day advance notice and written report documenting justification; public hearing. (ARS 11-1102)

***Property Rights***

- ARS 9-461.06 M. and ARS 11-824 F.-- In applying an open space or growth element of a city general plan or a county comprehensive plan, a local government cannot designate private land or state trust land as open space, recreation, conservation or agriculture (OS/R/C/A) unless there is an alternative economically viable designation allowing at least one dwelling per acre or there is written consent of the landowner; court costs awarded to land owner if they are the prevailing party.
- ARS 9-462.04 H. and 11-829 G.-- In applying the open space or growth elements, a parcel of land cannot be rezoned for OS/R/C/A unless the landowner consents in writing.
- ARS 9-500.12 A. and ARS 11-810 A.-- Property owners are afforded an expedited and cost-free review of claims that a new regulation may have the effect of taking their property similar to existing administrative review for dedication/exaction. The local government has the burden to establish the zoning regulation does not create a

taking. (ARS 9-500.12 E. and ARS 11-810 E.) A takings impact report shall be submitted to the hearing officer by the local government. (ARS 9-500.12 C. and ARS 11-810 C.) The hearing officer transmits a recommendation to the local governing body. (ARS 9-500.12 F. 2 and ARS 11-810 F. 2)

### ***Planning***

- Municipalities with 2,500 to 10,000 population are required to include Growing Smarter 1998 growth elements (open space element, growth area element, environmental planning element, cost of development element) in the general plan if population growth exceeds average of two per cent per year for a 10 year period based on the most recent decennial census. Municipalities with populations over 10,000 are also required to include Growing Smarter 1998 growth elements in the general plan. (ARS 9-461.05 D.);

### ***Water***

- (Added as a Growing Smarter plan element): Addresses currently available surface water, groundwater and effluent supplies; analysis of how future growth will be adequately served by available water supply or plan to obtain additional supplies. (ARS 9-461.05 D. 5. and ARS 11-821 C. 3)

### ***County comprehensive plans***

- The population threshold is changed from 100,000 to 125,000 for land use, circulation and water resources elements. (ARS 11-821 C.)

### ***Regional Planning***

- Allows residents in unincorporated areas (in counties other than Maricopa and Pima) to form rural planning areas to emphasize traditional rural and agricultural enterprises; voluntary; petitions must be signed by owners of a

majority of the acres of real property in the proposed planning area; rural plans shall be submitted to the board of supervisors for consideration in the county comprehensive plan. (ARS 11-806 D. 3)

- Rural planning zones may be formed in multi jurisdictional areas with a combined population between 50,000 and 100,000; cities, towns and counties may voluntarily form rural planning zones to develop coordinated and comprehensive regional plans.

### ***Major plan amendments***

- All major amendments proposed for adoption shall be presented at a single public hearing during the calendar year in which the proposals are made. (ARS 9-461.06 G. and ARS 11-824 C.) The definition of major amendment is changed from a change of land use designation that increases intensity of use, decreases intensity of use at the initiative of the governing body, deletes a requirement for reservation or dedication of land for public purposes or establishment or deletion of a freeway, parkway or limited access arterial to a substantial alteration of the land use mixture or balance. The plan shall define the criteria to make this determination.

### ***Annexation***

- On or before the date the governing body adopts an ordinance annexing territory, they shall approve a plan, program or procedure to provide that territory with appropriate levels of infrastructure and services to serve the anticipated new development within 10 years. (ARS 9-471 O.)

### ***Purchase/Lease of Development Rights***

- Establishes a development rights retirement program in State Parks through which monies would be used to purchase,

lease or transfer the development rights of private lands. (ARS 41-511.15) The State Parks Board administers the fund. Grant applicants may include: state agencies, political subdivisions, non-profits that have the purpose of preserving open space and private individuals. State Parks shall consult with the Conservation Acquisition Board. No matching is required but those entities would get priority for the grants. The conditions of grants are: all parties are fully informed as to the effects on land value; if there is a perpetual agreement for purchase of development rights they cannot be exercised and the land shall remain as open space. (Similar conditions for a lease are in effect for the terms of the lease.)

***Infill incentives***

- Cities and towns may create infill incentive districts. The district must meet at least three of the following requirements: large number of vacant older structures, large number of vacant lots, nuisances exist, absence of development or investment activity, high crime, population decline. The plan may include: expedited zoning and plan processing, fee waivers (as long as waivers are not funded by other development fees), development standards relief. (ARS 9-499.10)

***Amendments added***

- Language relating to a local government's discretionary authority to present major plan amendments at a public meeting once per calendar year is changed to a mandatory requirement to present during the year in which the proposal is made. (pages 6 and 35 of HB)
- County discretionary authority for staff review and approval of land divisions of

five or fewer lots any of which is ten acres or smaller in size is clarified:

1. The county may grant a variance for one or more of the required items: minimum applicable county zoning, legal access by a standard preliminary title report, statement from a licensed surveyor or engineer stating whether there is physical access traversible by a 2WD vehicle.
2. The mandatory requirement is changed to discretionary for conditions for the issuance of a building or use permit (minimum statutory requirements for legal and physical access, and, identification of site constraints (page 26 of SB)

- The timeframe for the review by the State Land Commissioner (SLC) and the Arizona Conservation Reserve Commission (ACRC) is changed from 24 months to 12 months. (page 48 of SB)
- Once the ACRC submits list of lands it finds to be qualified to the legislature, the SLC shall withdraw those lands from lease or sale for development purposes until the lands are disapproved of by the legislature, governor or the voters. (page 48 of SB)
- The legislature shall (rather than may) provide a process to select ACR lands. (The lands that meet the requirements of the review and evaluation process as prescribed by law are transmitted to the legislature.) (page 8 of the SCR)
- The sales of ACR lands shall include a covenant that runs with the land that it can only be used for conservation purposes. (page 9 of SCR).

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**Committee Chairman:**  
**Research Analyst:**

**Representative Michael Gleason**  
**Dan Shein**

### LIST OF BILLS

\* Strike-everything amendment  
 [E] Emergency clause

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### **HB 2018 - Chapter 360 - native plants; nonprofit community salvage**

HB 2018 allows homeowners' associations and other community based non-profit organizations to collect and salvage native plants that are in danger of being destroyed without obtaining a permit, tag or seal or paying the fee to the Department of Agriculture and move them to common areas or public property. Collection or salvage is only allowed within an incorporated city or town.

The association or organization may obtain native plants only for non-commercial salvage.

Prior to collection, the association must submit specific information to the Department authorizing access to the property, a copy of the city or town resolution authorizing the removal of plants, a signed statement that the plants will be transplanted in a common area owned by the association and that the plants will not be sold or exchanged.

Any person who has a permit for salvage of native plants has priority over the homeowners' association or organization.

The Department will notify the homeowners' association if a violation occurs; a second notice terminates the right to salvage (a copy of each notice is transmitted to the city or town).

A homeowners' association is defined for the purposes of these salvage provisions.

### **HB 2060 - Chapter 267 - agricultural preservation district land**

HB 2060 establishes a tax credit for individuals and corporations that convey

ownership or development rights of class two properties (agriculture) to an Agriculture Preservation District for calendar years 2001 through 2005. The credit is in lieu of any tax deduction.

#### ***Amount of tax credit:***

- Equals the appraised value of the property if ownership is conveyed or the difference between the appraised value of the undeveloped land and the appraised value of the land for development purposes if development rights are conveyed.

#### ***Process:***

- A taxpayer must apply to the District by January 15 following the calendar year of the conveyance or close of escrow. The District must review and determine the qualification and amount of tax credit by February 15 and issue certificates to qualifying applicants.

#### ***Conditions:***

- The maximum amount of tax credits certified for a District is capped at \$33,000 per calendar year. If qualified applications exceed the maximum, each credit is proportionately reduced. If there are co-owners, each may only claim the pro rata share per ownership interest. If the tax credit exceeds taxes due or if there are no taxes due, there shall be a refund.

### **HB 2168 - Chapter 44 [E] - Arizona lettuce research council**

HB 2168 is an emergency measure expanding the Arizona Iceberg Lettuce Research Council to include other varieties of lettuce. The change is subject to a vote by the producers of leaf lettuce.

#### ***Referendum***

- The supervisor of standardization in the Department of Agriculture conducts the

election based on ballots sent to producers who grew leaf lettuce during the 1998-99 crop year or who paid assessments to standardization for leaf lettuce during the 1999-00 crop year. The process shall be completed by the end of September 2000.

- The council shall pay the costs of the election, which cannot exceed \$5,000.
- The referendum is approved if passed by a majority of the producers. Fees shall not be assessed for at least 30 days after the supervisor's notice of the ballot results.

### **HB 2176 – Chapter 234 – department of agriculture omnibus**

HB 2176 makes a variety of changes in the statutes relating to the Arizona Department of Agriculture.

#### ***Authorizations:***

- Transfers hay, feed and seed regulation from the Plant Services Division to the Environmental Services Division.
- Gives the Director discretionary authority to enter into joint ventures for the promotion of Arizona agriculture that do not compete with private enterprise.

#### ***Definitions and Clarifications:***

- Changes reference from *Chemicals Division* to *Environmental Services Division*.
- Clarifies the Department's authority to regulate all crops and plants (domestic or commercial) by amending the definition of *plant* to include *crop*.
- Standardizes the use of the term *cease and desist*; removes the term *stop sale*.
- Replaces hauling *permits* with hauling *certificates*.

- Removes cross references to repealed sections on financial security.
- Service charges and inspection fees incurred by feedlots and dairies shall be remitted to the department within 10 days of the end of each month in which the livestock are inspected.
- Removes the provision that the fee for an aquaculture license is based on the gross sales of applicant.

#### ***Repeals:***

- Repeals four sections of law relating to farm data collection, financial security requirements, and purpose and scope of article relating to fruit and vegetable standards.

### **HB 2179 – Chapter 27 – \*conditional registration: pesticides**

HB 2179 authorizes the Department of Environmental Quality (DEQ) to provide for the conditional registration of a pesticide.

- Conditional registration may be requested for one year and renewed for up to three years if certain conditions are met:
  1. The pesticide must meet federal registration standards and must be registered for use in other states.
  2. DEQ must find that this conditional registration will result in sufficient use to generate acceptable data to complete the permanent registration. Applicants must commit to develop and generate data for DEQ's review through a contract.
  3. The pesticide must be important to agriculture as determined by DEQ in consultation with the Arizona Department of Agriculture.

- Each registrant shall submit an annual report to DEQ. The conditional registration shall be canceled if these reports indicate a lack of progress. If the registration is canceled, all product in the state shall be removed.
- The conditional registration will be granted one time per pesticide active ingredient.

### **SB 1117 – Chapter 230 [E] – Arizona lettuce research council**

*SB 1117 contains the exact same provisions as HB 2168.*

### **SB 1254 – Chapter 129 – \*irrigation non expansion area; groundwater limit**

SB 1254 limits groundwater uses in the Harquahala irrigation non-expansion area (INA) under certain conditions.

A person or entity may withdraw more than 100 acre-feet of groundwater per year for commercial or industrial purposes other than irrigation or residential use only if the groundwater is withdrawn as follows:

- From land that was irrigated at any time during the five years preceding the date of the designation of the INA.
- From a depth to 1000 feet at the site of withdrawal.
- At a rate that when added to the existing rate of withdrawals does not cause the groundwater table at the site to decline more than 10 feet per year.
- The amount per acre of land is limited to:
  1. 6 acre-feet in any year.

2. 30 acre-feet for any period of ten consecutive years computed in continuing progressive series beginning in the year that withdrawals begin.

An electrical generation facility with a certificate of environmental compatibility that was filed before January 1, 2000 with the Arizona Corporation Commission may withdraw groundwater for electrical generation and related uses in an amount not to exceed 62,500 acre-feet per 10 year period as determined using a 10 year rolling average when the facility first begins withdrawing groundwater.

This does not affect the rights of:

- A political subdivision to transport groundwater withdrawn from an INA to an initial active management area.
- Any person to store or recover water pursuant to the underground water storage, savings and replenishment statutes.

### **SB 1364 – Chapter 145 – multi-county water conservation districts; condemnation**

SB 1364 permits the Central Arizona Water Conservation District (CAWCD) limited condemnation authority to acquire land in connection with state demonstration recharge projects (a project for the storage of excess Central Arizona Project (CAP) water at an underground storage facility). This is a temporary authority, expiring December 31, 2005.

#### ***Provisions***

- CAWCD must file an application for a project permit with the Department of Water Resources (DWR); determine that the property to be acquired is necessary

for the public purpose of a demonstration project; notify property owners and discuss the action at a regularly scheduled meeting before an eminent domain action is filed.

- The eminent domain authority is limited to real property located within 10 miles of the CAP aqueduct and within those counties that comprise the district (Maricopa, Pima, Pinal).
- The district may not take possession of the real property until an order for possession has been entered by the superior court, and the district has paid all monies due under the order.
- CAWCD cannot acquire by eminent domain an existing underground storage facility developed by another person.
- CAWCD shall provide a written report to JLBC when property is acquired through

eminent domain. The report shall identify the location of the property and describe the demonstration project.

- The district shall provide to all people with interests in the property all appraisals of the property.
- The district's acquisition of the property does not preclude sand and gravel mining on adjacent lands as long as it does not adversely affect the construction, operation, or maintenance of the project.
- If the land to be condemned has a sand and gravel operation or is capable of being used as a sand and gravel operation and sand and gravel is the highest and best use, the district shall conduct an analysis of earning potential of the property for sand and gravel. The condemnation award shall include just compensation for the lost earning potential of sand and gravel if that is the highest and best use.

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**Committee Chairman:** Representative Robert Burns  
**Research Analyst:** Greg Gemson

### List of Bills

\* Strike-everything amendment  
 [E] Emergency clause  
 [LIV] Line item veto

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**HB 2019 – Chapter 1 [E] –  
Arizona state hospital;  
appropriation**

HB 2019 is an emergency measure which transfers \$20 million in each of the fiscal years (FY) 1999-00, 2000-01, 2001-02 and 2002-03 from the interest earnings on the Budget Stabilization Fund (BSF) to a new Arizona State Hospital (ASH) capital construction fund. Appropriates those monies from the new fund to the Department of Administration (DOA) for the demolition, renovation and construction of facilities at the Arizona State Hospital (ASH). The appropriations are exempt from lapsing. At a minimum, DOA must use these monies to provide 176 new civil beds to be located on the current grounds of ASH and to renovate and expand the facilities at that site to address physical plant needs for civil and forensic populations, an adolescent unit and sexually violent offenders. The BSF interest monies will be subsequently repaid out of those monies which the State of Arizona is scheduled to receive as a part of the tobacco settlement agreement.

HB 2019 also creates a 16 member ASH Capital Construction Commission, to be appointed by May 1, 2000. The Commission must meet at least four times a year and is responsible for reviewing capital construction and renovation plans at ASH and for making recommendations to DOA and the Joint Committee on Capital Review (JCCR). The Commission sunsets after four years. The Department of Health Services is responsible for supplying necessary staff and other services to the Commission.

HB 2019 also exempts DOA from the procurement code, except that DOA must report to JCCR and the ASH Capital Construction Commission regarding any procurement procedures that vary from

statute. DOA must use an architect with at least ten years of experience in hospital design and construction. The capital construction project is subject to JCCR review.

**HB 2085 – Chapter 201 –  
\*secretary of state; census;  
appropriations**

HB 2085 makes a FY 1999-00 supplemental general fund appropriation of \$150,000 to the Secretary of State to fund that office's Year 2000 census support, awareness and coordination efforts.

**HB 2216 – Chapter 298 –  
\*libraries; grants in aid**

HB 2216 appropriates \$300,000 from the state general fund in FY 2000-01 to the Department of Library, Archives and Public Records (DLAPR) for grants-in-aid to libraries for the following purposes in accordance with the rules and regulations established by the director of DLAPR:

- General grants-in-aid, two-thirds of which shall be used for urban area libraries and one-third of which shall be used for rural libraries, for resource sharing, reading programs, training, continuing education and other statewide library development programs.
- Grants for new or renovation construction of facilities, including disability and wiring compliance. These monies shall be made available only on a dollar-for-dollar matching basis from the local community.
- General grants-in-aid for tribal libraries for archival, library and curatorial tribal functions for the 21 recognized tribes and in amounts based on need and tribal



population as determined by the director of DLAPR in consultation with the tribes and local library systems.

- The grants-in-aid shall be awarded to libraries that are free lenders and borrowers in the interlibrary loan service; expend the full amount of grants-in-aid in the fiscal year for which the grant is awarded; do not substitute state money for local funding; and file annual reports with DLAPR as requested.

The \$300,000 appropriation is exempt from lapsing, except that all monies remaining that have not been granted by July 1, 2002 revert to the general fund.

### **HB 2230 – Chapter 209 – \*named claimants: appropriations**

HB 2230 is the annual relief for named claimants bill, which appropriates \$407,564.59 from the general fund and \$103,649.70 from various other state funds for the payment of claims made against several state agencies.

### **HB 2231 – Chapter 2 – \*appropriation adjustments: education**

HB 2231 makes a FY 1999-00 supplemental appropriation of \$41,929,300 from the state general fund to the Arizona Department of Education (ADE). The appropriation is necessary to fulfill statutory formula funding requirements for ADE.

The \$41,929,300 supplemental includes:

- \$36,313,600 for Basic State Aid funding. Current projections indicate that this amount will be needed primarily due to faster than budgeted growth in the number of Average Daily Membership (ADM)

pupils in public schools statewide and continued rapid growth in charter school transportation costs.

- \$4,709,800 for Additional State Aid. This program funds the homeowner's rebate, through which the state pays 35 per cent of each homeowner's primary property tax levy for schools, up to \$500. It also pays that portion of any homeowner's property levy that exceeds one per cent of the full cash value of the property. This Additional State Aid program funds any levy over 1% regardless of whether the cap was exceeded for K-12 or other purposes. A portion of the appropriation, \$3,693,300, is attributable to recent tax increases in Pima County, while the remaining \$1,016,500 is due to an updating of earlier statewide estimates based on more current data.
- \$905,900 for the Special Education Fund, which provides vouchers for pupils who attend the Arizona Schools for the Deaf and Blind (ASDB) or who are placed in a private special education facility. This amount is a department estimate based on higher than anticipated special education voucher costs observed during FY 1998-99. This portion of the bill also makes a technical correction to reflect the consolidation of the permanent special education institutional voucher fund and the special education placement and residential education voucher fund into the one "Special Education Fund".

### **HB 2387 – Chapter 177 – \*hauling municipal waste**

HB 2387 requires all cities or towns which provide waste or garbage collection and disposal services outside its boundaries to:

- Keep all records of those services separate from all other city or town municipal records.
- Make an in-lieu contribution to all state, city, town, county and other taxing districts equal to the taxes that would be required of private garbage collection and disposal companies performing the same service.
- Pay an in-lieu contribution to the state recycling fund in an amount equal to the federal taxes that would be required of private garbage collection and disposal companies performing the same service.
- Pay all fees and costs that are applicable to private companies including landfill fees.
- Ensure that no city or town taxes, fees or revenues are used to subsidize the waste or garbage collection and disposal services outside the city or town.

The bill also states that no provision of this legislation shall restrict the ability of a city or town to enter into mutual aid or intergovernmental agreements with other cities or towns to respond to emergency assistance. Furthermore, the provisions of the bill do not apply to a city or town if all of the following apply:

- The city or town provides waste or garbage collection services outside its borders in an unincorporated territory that is within three miles of its borders and within its municipal planning area as designated in the land use map of the municipality's general plan.
- The city or town does not provide waste or garbage services in an area other than its own.

- The city or town is located in a county with a population exceeding two million people.

### **HB 2409 – Chapter 381 [LIV] – appropriation; floodway control**

HB 2409 appropriates \$360,000 from the fire suppression fund to the Department of Emergency and Military Affairs (DEMA), Division of Emergency Management, for distribution to Bisbee for the state or local matching portion of the cost of completing the Mule Gulch floodway channel and other disaster-related damages. The monies are non-lapsing until June 30, 2001. The bill also states that monies in the Governor's emergency fund in FY 2000-01 may be expended for both the state and local share of the Cochise County and Santa Cruz County flash flood emergencies.

#### ***Line Item Veto***

The Governor line-item vetoed a provision of the bill which stated that if liabilities in excess of \$4,000,000 are incurred by the Governor's emergency fund for FY 2000-01, then an additional \$1,140,000 would have been authorized for use by the emergency fund for FY 2000-01 for disasters and emergencies, subject to the review of the Joint Legislative Budget Committee.

### **HB 2427 – Chapter 238 – appropriations; department of law**

HB 2427 appropriates \$300,000 from the general fund and \$2,763,200 from various other appropriated funds to the Attorney General's Office and the Department of Economic Security (DES) in FY 2000-01 for attorney salary increases and enhanced crime victim compensation and treatment.

*Provisions*

- Appropriates \$300,000 from the state general fund and \$313,200 from various other appropriated funds to fund an attorney salary increase for employees of the Department of Law (the Attorney General's Office) and DES.
- Requires the Department of Law to report to the Joint Legislative Budget Committee (JLBC) Staff Director the sub-allocation of the salary adjustment amounts, by agency, program or cost center or both, line-item and fund name. Any unallocated balance reverts to the fund from which it was appropriated on May 1, 2001.
- Makes a non-lapsing appropriation of \$2,450,000 from the victims' rights fund to the Department of Law for operating expenditures and the following:
 

\$750,000 to be transferred to the victim compensation and assistance fund, an amount which will then be appropriated to the Arizona Criminal Justice Commission (ACJC) to compensate crime victims.

\$1,100,000 to be disbursed to public and private entities to further uniformity and efficiency of sexual assault assessment and treatment.

\$600,000 to expand victims' rights training and to expand the reporting of victims' feedback on services provided.

**HB 2563 – Chapter 351 – \*county expenditure limits: disproportionate share**

HB 2563 makes a technical correction to Laws 1999, Chapter 176, Section 17 (the 1999 Health ORB) regarding county expenditure authority as it pertains to disproportionate share hospital funding.

*Provisions*

- Amends Laws 1999, Chapter 176 (the 1999 Health ORB), section 17 to clarify that the EEC shall use the same base limit amount for adjusting county expenditure limitations for FY 1999-00 and FY 2000-01, thereby correcting a perceived error in the biennial budget package which could have inadvertently reduced Maricopa and Pima counties' expenditure authority.
- Allows a city, town, community college district or county to exceed its FY 2000-01 expenditure limitation as calculated by the EEC with a penalty of \$100, if the city, town, community college district or county does not exceed an alternative limitation.
- Establishes an alternative limitation for the cities, towns, counties and community college districts equal to the expenditure limitation calculated for FY 1999-00 multiplied by the percentage change in population and multiplied by an inflation growth rate of three per cent.
- Requires the EEC to meet with interested parties to determine if a new inflation index is needed for calculating the expenditure limit and to report its findings to the Legislature by December 1, 2000.

**HB 2564 – Chapter 3 – supplemental appropriations: adjustments**

HB 2564, this year's version of the supplemental budget package, makes FY 1999-00 general fund (GF) and other fund (OF) supplemental appropriations of \$6,988,700 and \$14,702,400 respectively, makes FY 2000-01 supplemental appropriations of \$1,736,400 GF and \$25,119,000 OF, and enacts other revisions to

the biennial budget passed by the Legislature during the 1999 legislative session.

Specific appropriations are shown in the table below.

Agency Name/ Bill Provision	FY 1999-00 Supplementals		FY 2000-01 Supplementals	Explanation
	General Fund	Other Funds	Other Funds	
Accountancy, State Board of	0	64,700	219,100	For additional representation from the Attorney General's Office and to allow the Board to contract with legal counsel to implement Laws 1999, Ch. 145, updating the Accountancy Act.
Administrative Hearings, Office of	0	0	0	No additional GF or OF monies, but corrects the Office's FTE authority by adding three FTE positions which were funded but not correctly noted in the budget.
Behavioral Health Examiners, Board of	0	2,600	3,500	For increased rent costs associated with additional staff.
Contractors, Registrar of	0	79,500	0	To supplement the costs associated with the purchase of 13 alternative-fuel vehicles.
Criminal Justice Commission, Arizona	0	0	500,000	For enhanced funding of the victim compensation program, which awards cash compensation to direct and indirect crime victims for expenses resulting from their victimization. This is allowed for by greater than expected revenues into the victim compensation and assistance fund. Includes new footnote language stating that any further additional revenues into the fund are appropriated for the program and may be expended upon JLBC review.
Deaf and the Blind, Schools for the	0	0	0	No new monies – Makes a technical correction regarding fund sources.
Economic Security, Dept. of	0	12,688,100	10,467,300	Makes FY 1999-00 GF revisions of \$493,400 for providing non-reimbursable services to long-term care clients, \$6,035,500 for capitation rate and caseload increases in the long-term care program, (\$5,106,500) in the Children Services Program due to a funding shift from the GF to federal funds, and (\$1,422,400) in the Family Builders program due to a funding shift from GF to TANF, for a net GF change of \$0.

Agency Name/ Bill Provision	FY 1999-00 Supplementals		FY 2000-01 Supplementals	Explanation
	General Fund	Other Funds	Other Funds	
Economic Security, Dept. of (continued)	continued	continued	continued	<p>Makes FY 1999-00 OF revisions of \$420,200 for providing non-reimbursable services to long-term care clients, \$10,845,500 in the Children's Services Program due to a funding shift, and \$1,422,400 in the Family Builders Programs for a funding shift.</p> <p>Makes FY 2000-01 OF revisions of \$1,422,400 for the Family Builders Program, \$8,581,100 for the Children Services Program, \$343,800 to purchase additional computer equipment for the Division of Employment and Rehabilitation Services, and \$120,000 from the spinal and head injury trust fund to provide additional services to people with head and spinal injuries.</p> <p>Adds new footnote language allowing DES to expend a portion of the Children Services Program monies appropriated for FY 2000-01 in FY 1999-00 upon review by the JLBC as necessary to address any unforeseen costs in that program</p>
Environmental Quality, Dept. of	0	0	2,033,600	Appropriates \$2,033,600 in FY 2000-01 from the recycling fund, which was moved from non-appropriated to appropriated status by Laws 1999, Ch. 286. This provision is the formal legislative appropriation necessary for DEQ to expend these monies.
Health Services, Dept. of	6,766,000	0	0	Appropriates an additional \$6,766,000 GF for increases in Children's Behavioral Health (CBH), Seriously Mentally Ill (SMI), and General Mental Health and Substance Abuse (GMH/SA) Title XIX program enrollment and capitation increases.
Judiciary – Supreme Court	0	0	358,800	Appropriates an additional \$358,800 in FY 2000-01 from the judicial collection enhancement fund (JCEF) to improve collection and management of monies owed to the court and to improve case processing through automation projects. The additional spending is allowed for by greater revenues and revertments into the fund. This section also includes new footnote language stating that any additional JCEF receipts received by the Administrative Office of the Courts (AOC) be appropriated to the Supreme Court, which may expend those monies upon review by the JLBC.

Agency Name/ Bill Provision	FY 1999-00 Supplementals		FY 2000-01 Supplementals	Explanation
	General Fund	Other Funds	Other Funds	
Judiciary – Superior Court	222,700	0	2,655,600	<p>Appropriates \$222,700 GF in FY 1999-00 to fund statutory salary requirements associated with 8 newly established judgeships in Maricopa County.</p> <p>The FY 2000-2001 supplemental includes \$993,700 OF in additional funding for the Community Punishment Program, \$443,400 in additional funding for case processing assistance, which is allowed for by greater than expected criminal justice enhancement fund (CJEF) revenues. Also includes \$827,500 OF in additional funding for the Defensive Driving Program allowed for by greater than anticipated revenues and reverts into the defensive driving fund and \$391,000 OF in additional funding for the Juvenile Crime Prevention Program. Includes new footnote language appropriating excess receipts received by AOC to these four programs, which may be expended upon a review by the JLBC.</p>
Land Department, State	0	0	0	<p>Modifies footnote language to allow for \$280,000 to be retained by the agency for repayment of CAP fees to avoid a FY 2000-01 shortfall which would have occurred because Phoenix and Peoria have chosen not to assume their CAP water.</p>
Medical Examiners, Board of	0	176,100	3,949,600	<p>Appropriates an additional \$176,100 OF in FY 1999-00 for additional relocation expenses.</p> <p>Enacts a FY 2000-01 budget of \$3,949,600 for the Board, which is derived from a FY 1999-00 base of \$3,976,300, less (\$438,800) for the elimination of one-time expenditures, an additional \$219,600 for three new investigator positions and an Assistant Attorney General to reduce the case backlog, an additional \$68,900 to reclassify 10 of its current positions, \$52,300 for an additional compliance officer position, \$46,300 for computers, and \$25,000 for increased travel expenses. Includes new footnote language stating that \$388,200 appropriated in FY 2000-01 is specifically designated to pay the expenses of certain employees.</p>
Nursing , State Board of	0	0	78,600	<p>Appropriates additional monies for an Assistant Attorney General and for a half-time rules writer.</p>
Nursing Care Institution Administrators	0	0	44,400	<p>Appropriates monies for additional staff, associated equipment and in-state travel.</p>
Parks Board, Arizona State	0	124,700	170,000	<p>Allows the Board to expend additional reservation surcharge fund monies which are anticipated as a result of the opening of Kartchner Caverns, for the purposes of supporting and administering the automated reservation system.</p>

Agency Name/ Bill Provision	FY 1999-00 Supplementals		FY 2000-01 Supplementals	Explanation
	General Fund	Other Funds	Other Funds	
Private Postsecondary Education, Board for	0	0	900	To compensate for recent adjustments to the agency's rent charges.
Public Safety, Dept. of	0	0	489,000	Appropriates an additional \$489,000 from the crime lab assessment fund and the DNA identification fund for the purchase of laboratory equipment to conduct more advanced DNA and digital imaging analysis and more efficient blood and breath alcohol testing.
Technical Registration, Board of	0	100,000	0	Appropriates an additional \$100,000 from the technical registration fund to pay for outstanding debts generated by the vendor under contract to administer the Board's licensing examinations. JLBC Staff must be notified before the expenditure of these monies for any other purpose.
Salary Adjustments	0	1,466,700	2,935,000	Appropriates \$1,466,700 in FY 1999-00, annualized to \$2,935,000 in FY 2000-01, from various other appropriated fund sources for the purpose of fully funding classification maintenance reviews.
Arizona Pioneers' Home	0	0	1,213,500	Appropriates \$1,213,500 from the miners' hospital fund in FY 2000-01 to build a new fire escape at the Home, as recommended by the Auditor General.
<b>TOTAL</b>	<b>\$6,988,700</b>	<b>\$14,702,400</b>	<b>\$25,119,000</b>	

HB 2564 makes one FY 2000-01 GF supplemental appropriation of \$1,736,400 to the State Board of Directors for Community Colleges to fully fund the community college statutory formulas for operating, capital and equalization aid. An accurate supplemental is made possible by the recent availability of actual audited Full-Time Student Equivalent (FTSE) counts for FY 1998-99, from which the FY 2000-01 statutory formula funding amounts are derived.

HB 2564 also adds a new omnibus footnote to last year's General Appropriations Act which applies to the 90/10 agencies, stating that for FY 2000-01, an increase of \$50,000 or 20 per cent of the agency's total appropriations, whichever is greater, is appropriated to that agency in FY 2000-01 for unanticipated costs. Before expending any of these monies, the agency must submit the intended use of the

monies to JLBC for review. HB 2564 also further amends the general appropriations act by re-defining *JLBC review* as a vote by a majority of a quorum of the members of the JLBC.

### **HB 2578 – Chapter 379 – appropriation: Navajo senior centers**

HB 2578 makes a non-lapsing appropriation of \$50,000 from the general fund to the Department of Economic Security (DES) in FY 2000-01 for Navajo senior center services.

HB 2578 also makes changes to the county boundary study committee enacted into law by SB 1485 (Laws 2000, Chapter 36, Section 1):

1. Adds two representatives of the Hopi Tribe and the director of the Department of Economic Security (DES) or the director's designee.
2. Expands the provisions that the study committee must examine to include the fiscal and service impacts of the delivery of senior services, the distribution of monies for temporary assistance for needy families and other programs administered by DES.
3. Requires the study committee report to include information regarding the construction of Navajo and Hopi senior centers.

Additionally, the bill creates a 15-member study committee to examine the allocation of funds to non-profit hospital organizations that operate on an Indian reservation in this state and study the allocation of funds to Indian senior centers throughout the state.

**HB 2659 – Chapter 171 – competitive government; costs; direct; indirect**

HB 2659 requires the Governor's Office for Excellence in Government (OEG) to include uniform definitions of direct and indirect costs in their competitive cost model. Requires the Director of OEG to establish a committee to adopt uniform definitions of direct and indirect costs for the cost model and provide those definitions to OEG on or before March 1, 2001. The committee is repealed after June 30, 2001.

**HB 2681 – Chapter 403 – \*BOMEX; appropriation**

HB 2681 amends Laws 1999, 1<sup>st</sup> Special Session, Chapter 1 (the 1999 General Appropriations Act for FY 1999-00 and FY

2000-01), as amended by Laws 2000, 2<sup>nd</sup> Regular Session, Chapter 3, to increase the state Board of Medical Examiners' (BOMEX) general operating budget appropriation from the medical examiners board fund by \$727,500 in FY 2000-01. Specifically, the bill increases the agency's operating lump sum appropriation from \$3,544,900 to \$4,268,900 and increases the agency's Attorney General-Legal Fees line-item appropriation from \$388,200 to \$391,700 and increases the agency's FTE appropriation from 50.5 to 52.5.

**SB 1019 – Chapter 352 – state auditor general; continuation**

SB 1019 continues the State Auditor General until July 1, 2010. The bill is retroactive to July 1, 2000.

**SB 1047 – Chapter 303 – state hospital; expenditures**

SB 1047 limits the Department of Health Services' (DHS) financial liability associated with the payment of health care services provided to patients of the Arizona State Hospital (ASH) by non-contracting health care facilities and providers.

If an ASH patient requires emergency health care services by a non-contracting provider, DHS must pay approved claims as follows:

1. For inpatient and outpatient hospital services, the state must reimburse at a level that does not exceed the AHCCCS reimbursement methodology.
2. For health and medical services, the state must reimburse providers at a level that does not exceed the capped fee-for-service schedule that is adopted by AHCCCS Administration



and that is in effect at the time the service is provided.

**SB 1074 – Chapter 221 – \*internet crimes; appropriation**

SB 1074 appropriates \$100,000 to the Department of Public Safety and \$100,000 to the Department of Law (the Attorney General's Office) in FY 2000-01 from the general fund for the two departments to work together, through an intergovernmental agreement, to combat all interstate crimes, but with a priority on sexual crimes and abuse involving minors. The appropriations are exempt from lapsing.

**SB 1079 – Chapter 228 – appropriation; NAU science building**

SB 1079 appropriates \$750,000 from the state general fund in FY 2000-01 to purchase furnishings and equipment for the new biology/biochemistry facility at Northern Arizona University and requires the new facility be named after the bill's sponsor, John F. Wettaw. The monies are exempt from lapsing.

A 10 member Joint Legislative Study Committee on the State Building Renewal Formula and Process is created to study:

- The adequacy of the formula for generating sufficient monies for major maintenance and repair of state-owned buildings.
- The building renewal and building system process in its entirety in order to determine its effectiveness in providing for maintenance and repair of buildings; and reducing deferred maintenance.

The committee must report its findings and recommendations to the Governor, Senate President, and Speaker by November 15, 2000 and the committee is repealed on December 31, 2000.

**SB 1090 – Chapter 305 – Arizona department of gaming; continuation**

SB 1090 continues the Arizona Department of Gaming (Department) until July 1, 2010 and makes other changes to the Department's statutes.

***Other Provisions***

- Requires the Department to certify specified persons in order to ensure that unsuitable individuals or companies are not involved in Indian Gaming permitted under tribal-state compacts.
- Specifies that a person commits possession of a gambling device if the person knowingly distributes or transports gambling devices.
- Allows the Department to investigate violations of possession of a gambling device that occur on non-Indian land.
- Requires any tribal-state gaming compact that is executed, modified, extended or renewed to include provisions that:
  1. establish guidelines on the use of automated teller machine use and on the use of credit cards or other forms of credit in gaming facilities;
  2. require the tribes to post signs that state that help is available if a person has a problem with gambling and the statewide toll free crisis hotline number;

3. prohibit gaming facility advertising and marketing that specifically appeal to minors;
4. establish guidelines for the effective treatment and prevention of problem and pathological gambling; and
5. establish guidelines for voluntary ban procedures from all gaming facilities in the state.

**SB 1095 – Chapter 139 – \*liquor wholesalers: sampling**

SB 1095 allows producers and wholesalers of spirituous liquor to provides samples to retail customers at on sale premises establishments.

Stipulates that a producer or wholesaler of spirituous liquor must follow the following procedures in order to offer samples:

1. Sampling operations must be conducted under the supervision of an employee of the sponsoring producer or wholesaler.
2. Sampling is limited to 12 oz. of beer or cooler, six oz. of wine or two oz. of distilled spirits per person per brand.
3. If requesting the on-sale licensee to prepare a drink for the consumer, the producer or wholesaler's representative must pay the licensee for the sample drink.
4. Producers and wholesalers are prohibited from buying on-sale licenses or the licensee's employees a drink during their working hours or while they are engaged in waiting on or serving customers.
5. Producers or wholesalers are prohibited from giving a keg of beer or any spirituous liquor or any other

gifts or benefits to the on-sale licensee.

6. All sampling procedures must comply with federal sampling laws and regulations.

Stipulates that this act supersedes any administrative rule adopted by the Department of liquor licenses and control relating to sampling by producers and wholesalers.

**SB 1100 – Chapter 120 – board of accountancy: continuation**

SB 1100 continues the Arizona Board of Accountancy until July 1, 2005 and allows the board to be reimbursed for its costs of investigations and proceedings relating to disciplinary actions.

- Terminates the board on July 1, 2005 and repeals the enabling statutes on January 1, 2006.
- Contains a retroactive effective date of July 1, 2000.

**SB 1128 – Chapter 109 [E] – \*taxpayer voter registration: repeal**

SB 1128 is an emergency measure eliminating the requirement that the Department of Revenue mail voter registration forms to individual income taxpayers who have not registered to vote in each year in which there is a regularly scheduled general election.

**SB 1146 – Chapter 140 –  
\*unsolicited delivery of tobacco  
products**

SB 1146 prohibits the delivery of unsolicited tobacco products to an adult at a residential address. A violation is a Class 2 misdemeanor (up to four months in jail/up to \$750 fine for persons and up to \$10,000 for enterprises) and subjects a person to a civil penalty in an amount up to \$5,000 for each violation. Individuals or entities who deliver items for hire are exempted from the act.

SB 1146 allows the Attorney General to bring an action to recover civil penalties, taxable costs and other fees and expenses. Recovered civil penalties are to be deposited in the general fund and all other monies are to be deposited in the antitrust enforcement revolving fund.

**SB 1184 – Chapter 244 – \*water  
studies; appropriation**

SB 1184 appropriates a total of \$500,000 from the general fund in FY 2000-01 to the Department of Water Resources for rural water studies (\$330,000) and for a study of the hydrologic relationship between the upper and middle Verde water basins including the connectivity of the Big Chino groundwater basin to the Verde River (\$170,000). The Verde water study appropriation is transferred to Yavapai county for a study by the county at the direction of the Yavapai county water advisory committee. The appropriation is exempt from lapsing.

**SB 1233 – Chapter 245 –  
appropriation; project challenge**

SB 1233 makes a non-lapsing appropriation of \$100,000 in FY 2000-01 from the general fund to the Department of Emergency and

Military Affairs for capital costs associated with relocating the physical facilities of the project challenge youth intervention program.

**SB 1265 – Chapter 197 –  
\*corporation commission;  
appropriation**

SB 1265 appropriates \$372,200 from other appropriated funds to the Corporation Commission in FY 2000-01. Specifically, the bill:

- Appropriates \$200,000 from the securities regulatory and enforcement fund for the investigation and prosecution of securities fraud. This appropriation is exempt from lapsing.
- Appropriates \$42,200 from the utility regulating revolving fund for hearing officer expenses.
- Appropriates \$130,000 from the utility regulating revolving fund for audits, studies, investigations and rate hearings expenditures by the Utilities Division. This appropriation is exempt from lapsing.
- States that these appropriations are in addition to monies appropriated to the Corporation Commission by the Legislature in the biennial budget enacted during the First Regular Session of the 44<sup>th</sup> Legislature.

**SB 1281 – Chapter 246 – \*old  
capitol restoration; appropriation**

SB 1281 appropriates an estimated \$450,000 from the legislative, executive, and judicial public buildings land fund in FY 2000-01 to Legislative Council for the purposes of renovating and improving the condition of the State Capitol Building. The bill also creates a

Governmental Mall Land Study Committee that is charged with examining the feasibility of expanding the governmental mall area.

***Provisions***

- Appropriates all annual fund revenues for FY 2000-01 from the legislative, executive and judicial public buildings land fund, which is estimated to be \$450,000, to Legislative Council for the renovation of the State Capitol Museum and installation of a fire alarm and sprinkler system in the Legislative Services wing of the State Capitol Building.
- Stipulates that prior to expending the appropriated monies, the Executive Director of Legislative Council must present a plan to the Joint Committee on Capital Review for its assessment.
- Stipulates that the appropriation does not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, unless the appropriation stands for a full fiscal year without an expenditure or encumbrance.
- Establishes an 11 member Governmental Mall Land Study Committee charged with examining the possibility of expanding the western boundary of the governmental mall area from 19th Avenue to Interstate 17 and examining the possibility of developing a long-term plan to purchase land in the area comprised of a western boundary of Interstate 17, a northern boundary of all lots abutting Van Buren, an eastern boundary of 19th Avenue, and a southern boundary of the Harrison Street alignment.
- Requires the committee to submit a report of its findings and recommendations to the Governor, the Senate President, the Speaker of the House of Representatives,

the Secretary of State and the Director of the Department of Library, Archives, and Public Records by December 1, 2000.

- Requires legislative staff and Department of Administration staff to provide services to the committee as the committee deems necessary .
- Repeals the committee on December 31, 2000.

**SB 1283 – Chapter 389 –  
department of environmental  
quality; continuation**

The Department of Environmental Quality (DEQ) is continued for five years, until July 1, 2005. DEQ must report on progress toward certain performance objectives by August 31, 2002 to the committee of reference (COR).

***Provisions***

- The COR designated by the Joint Legislative Audit Committee shall conduct at least one public hearing before December 1, 2002 to take testimony on the status of the objectives. The COR must provide a written notice of its findings to the Governor, President of the Senate and Speaker of the House of Representatives by December 31, 2002.
- The objectives include:
  1. Submit Maricopa serious area ozone attainment plan and six sulfur dioxide attainment or maintenance plans.
  2. Take final action on certain federal Clean Air Act Title V air quality permits for existing facilities.
  3. Renew certain air quality general permits for existing facilities.

4. Renew certain air quality general permits and issuance of certain new general permits.
5. Take final action on 50 per cent of pending aquifer protection permits (APP).
6. Increase by five the number of types of general permits available under the APP program.
7. Respond to 90 per cent of requests for underground storage tank (UST) site closure within 60 days of the receipt of the request.
8. Approve corrective action plans for 45 per cent of the currently open UST sites that have groundwater contamination in excess of aquifer water quality standards.
9. Enact rules and guidance for risk based corrective action in the UST program.
10. Reduce UST program costs.
11. Complete construction and begin final cleanup or significant early response actions on at least five additional high priority water quality assurance revolving fund (WQARF) sites.
12. Initiate potentially responsible party (PRP) searches by June 30, 2001 for sites on the WQARF registry as of January 1, 2000.
13. For WQARF registry sites added after January 1, 2000, initiate PRP searches by January 31, 2002 but not sooner than six months after the listing.
14. Initiate at least one multi-party WQARF allocation.

**SB 1301 – Chapter 354 –  
appropriation: underground  
storage tanks**

SB 1301 makes a \$250,000 appropriation from the general fund to the underground storage tank (UST) state assurance account (SAF) in the Department of Environmental Quality (DEQ) in FY 2000-01 and specifies the distribution of a prior appropriation. In addition, \$5.0 million will be deposited into the SAF from the vehicle license tax (VLT) prior to its deposit into the highway users revenue fund (HURF) for FY 2000-01. This will not impact the distribution of VLT to local governments.

The \$250,000 appropriation is for deposit in the Area A account of the SAF to be used only for paying claims for partial coverage of corrective actions costs. This appropriation shall not be used for administrative costs and is exempt from lapsing.

The \$1.3 million appropriation for FY 2000-01 from Laws 1999 shall be distributed to the Area A and non-Area A accounts based on the amounts collected from those areas in FY 1993-94. Monies distributed to non-Area A account shall not exceed the amount necessary to repay the non-Area A portion of the \$3.0 million transferred from the UST loan account to the general fund (based on Laws 1992).

The Arizona Department of Transportation shall deposit \$416,666 into the SAF each month in FY 2000-01 from the VLT prior to its deposit into the HURF.

DEQ shall use the money for paying claims of school districts, counties, cities, towns, hospitals and small businesses (independently owned and operated, not dominant in the field, fewer than 100 FTEs or less than \$4.0 million in gross receipts in their last fiscal

year) that the director determines suffer from sufficient financial hardship.

**SB 1339 – Chapter 357 – superior court; fees**

SB1339 increases the conciliation court fee from \$50 to \$65.

**SB 1384 – Chapter 315 – ASRS: Burke litigation settlement**

SB 1384 makes changes to the Burke litigation settlement statutes per Internal Revenue Service recommendations. Specifically, the bill:

- Defines and uses new terms, including *corrective contributions*, which describe any contributions paid by an employer pursuant to the Burke settlement that are attributable to employer contributions that should have been made in previous years.
- Clarifies the calculation and payment of excess benefits to affected members.
- Allows a member or surviving spouse to make a tax-free rollover of the lump sum makeup distribution.
- Applies a retroactive effective date of July 1, 1999.

**SB 1446 – Chapter 253 – appropriation; game and fish; salaries**

SB 1446 appropriates \$697,900 from the game and fish fund, \$25,500 from the watercraft licensing fund and \$9,100 from the game, non-game, fish and endangered species fund to the Department of Game and Fish in FY 2000-01 for special market salary adjustments for all covered employees who

are occupying wildlife series job classifications on July 1, 2000.

**SB 1519 – Chapter 375 – tourism; dedicated sales tax revenues**

SB 1519 revises the method of funding for the Office of Tourism.

Effective July 1, 2001, the tourism fund will be composed of separate accounts consisting of up to three sources of revenue: 1) a portion of the state tax imposed on hotels (3 ½ per cent), amusements (3 per cent) and restaurants (2 per cent); 2) if approved by the voters in Maricopa County, a portion of the tax on hotels and a surcharge on rental cars imposed in Maricopa County; and 3) if approved by the voters in Pima County, a portion of the tax imposed on hotels in Pima County. The revenues collected in Maricopa and Pima counties may be used only to promote tourism in the county in which the tax is collected and may not be used for administrative or overhead expenses.

If the voters in Maricopa County do not approve a levy of a surcharge on car rentals and a tax on hotels within a tourism and sports authority, the tourism fund will consist of 52.66 per cent of the state's share of the transient lodging distribution base monies.

The bill authorizes Pima County to hold an election to determine whether to impose an additional one per cent local tax on hotels. If approved, the tax will be levied on the first day of the month beginning 90 days after the election and will be in effect for 30 years. The tax may be extended for up to 10 years, if the electors approve such an extension.

If the additional tax is approved in Pima County, the State Treasurer shall not deposit the additional revenue to the tourism fund until the School Facilities Board certifies that

sufficient monies are dedicated to the deficiencies correction fund to make the school improvements required by state law.

*Note: See Laws 2000, Chapter 372 (SB 1220).*

### **SB 1559 – Chapter 226 [E] –** **\*school safety; omnibus**

SB 1559 is an emergency measure that classifies threats of physical injury or damage to property made in regards to teachers, students or school property as a Class 6 felony and creates programs within the state to provide information regarding school safety.

#### ***Provisions***

- Classifies threats of physical injury or damage to property made in regards to teachers, students or school property as a Class 6 felony (1 year in jail and up to \$150,000 fine).
- Amends the definition of *interference with an educational institution* to include:
  1. Threats of physical injury against a person employed by a school or a student.
  2. Threats to cause damage to property belonging to the school, an employee or a student.
- Authorizes a school district or charter school to expel a student for a period of one year, for interference with an educational institution.
- Outlines the procedures for expulsion, including modification, reassignment to an alternative education program, and parental involvement.
- Requires the Department of Education to conduct a survey of school districts and submit an annual report on school safety by September 15, and establish a clearinghouse, terminating on July 10, 2010, to:
  1. Provide information to the public regarding school safety;
  2. Serve as the central repository for school violence prevention curriculum; and
  3. Establish and maintain a school violence prevention web site.
- Appropriates \$150,000 from the general fund in FY 2000-01 to the Department of Education to fund the school safety clearing house, the school safety web-site and the school safety survey.
- Establishes, for ten years, a school conflict mediation program in the Attorney General's Office, which includes a toll free telephone number for reports of violence.
- Appropriates \$80,000 from the general fund in FY 2000-01 to the Attorney General's Office to fund the school conflict mediation program and hotline.
- Requires school district governing boards to annually assign at least one district employee to participate in a multi-hazard crisis-training program.
- Requires school district governing boards, in conjunction with local law enforcement and medical facilities, to develop an emergency response plan for each school in the district.
- Appropriates \$770,000 from the general fund in FY 2000-01 to the Department of Education for the Safe Schools Program.

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**Committee Chairman:** Representative Debra Brimhall  
**Research Analyst:** Jonathan Dinesman

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\* Strike-everything amendment

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### **HB 2016 – Chapter 319 – department of insurance; licensing; enforcement**

HB 2016 contains several provisions that are all related to insurance licensing matters.

#### ***Provisions***

- Removes a licensee's ability to obtain a stay if the Director of the Department of Insurance suspends a license on the basis that the licensee poses an immediate threat to public safety and welfare. The licensee may appeal the Director's decision to the superior court in Maricopa County.
- Defines *member* as a person who holds more than a 10 per cent ownership interest in a firm or corporation.
- Authorizes the Department to deny licensure to a firm based on the conduct of its principals. An agent or broker requesting licensure shall disclose information regarding the firm's principals.
- Establishes that the Director may issue a cease and desist order against a non-licensed producer (agent/broker). If the Director orders a non-licensed producer to cease and desist, the non-licensed producer may appeal the order to the superior court in Maricopa County.
- Establishes that upon written request, the Director may accept the voluntary surrender of a person's license to transact insurance business in this state and prohibits the person from reapplying for the same license for six months. The six month period shall not begin until all pending disciplinary proceedings are resolved.

- Authorizes the Director to license a non-resident surplus lines broker if the applicant provides certification from the applicant's state of residence that the applicant is licensed in that state and in compliance with all requirements of that surplus lines broker license.
- Authorizes a non-resident licensed as a surplus lines broker in another state to pay surplus lines tax due in Arizona without being subject to unlicensed transaction of surplus lines insurance.
- Provides the Department the statutory authority to enforce the Violent Crime Control Act, which prohibits anyone with a prior felony from working in the insurance business without permission of the Director.
- Allows service corporations to pay their agents a commission.

### **HB 2017 – Chapter 199 – workers' compensation insurance; rating organizations**

HB 2017 creates a statistical agent that shall assist in gathering statewide loss and expense data. This data shall be used by rating organizations operating in Arizona for the development of their rating systems. In addition, HB 2017 establishes a uniform statewide classification system, a uniform experience rating plan, a state adopted statistical plan and a statewide assigned risk plan.

#### ***Provisions***

- Requires rating organizations to file annually with the Director of the Department of Insurance.
- Requires corporations applying for licensure as a rating organization to provide a current financial statement that

includes an income statement and balance sheet for the two years preceding the date of the statement.

- Establishes a workers' compensation appeals board that shall submit a plan of operation to the director for approval.
- Requires all rating organizations and insurers give insureds affected by a rate all pertinent information related to the rate. A person believed to be aggrieved by the application of a rating system may present the grievance before the Board.
- Requires the designated rating organization to file with the director its rate filing by August 1 for rates that become effective on October 1.
- Prohibits the use of more than one workers' compensation assigned risk plan in Arizona.
- Requires that the rates filed by the designated rating organization be used to determine the premium of risks in the assigned risk plan, unless the director requires the use of rates from another rating organization.
- Prohibits subclassifications and rating rule deviations from being used in the assigned risk plan.
- In the event that two or more rating organizations are operating in this state, the director may designate one rating organization for establishing the statewide workers' compensation rates.
- Permits the designated rating organization or statistical agent to charge a fee for their services upon approval by the director.
- Permits the director to choose the method used for determining rates for the premium of risks in an assigned risk plan.

## **HB 2021 – Chapter 134 – insurers; financial requirements; procedures**

HB 2021 establishes a standardized basis of financial accounting and reporting for multi-state insurers.

### ***Provisions***

- Requires the Department of Insurance to include as assets in the determination of an insurer's financial condition: (1) interests accrued for 180 days, (2) deferred tax assets, (3) electronic data processing equipment and (4) goodwill.
- Requires that the computation of unearned premium reserves conform with the accounting practices and procedures manual adopted by the National Association of Insurance Commissioners (NAIC).
- Requires the insurer to establish a premium deficiency reserve by recording an additional liability for the deficiency according to the accounting practices and procedures manual adopted by the NAIC.
- Requires joint ventures, partnerships and limited liability companies to be valued on the equity reported in the entity's financial statements pursuant to the accounting practices and procedures manual adopted by the NAIC.
- Includes as admitted assets for entities that provide health care services to enrollees: (1) furniture, (2) medical equipment, (3) fixtures and (4) leasehold improvements that are used for the delivery of health care services.
- Prohibits domestic stock or mutual insurer loans from being a part of the insurer's legal liability or the basis of any setoff without the director's approval for repayment.

- Contains reporting form exemptions for domestic credit life and disability reinsurers.

### **HB 2079 – Chapter 341 – \*ASRS: actuarial computation; study committee**

HB 2079 establishes the Arizona State Retirement System actuarial computation method study committee. The bill specifies who is to serve on the committee as well as the requirements of the committee and repeals the committee December 31, 2000.

### **HB 2083 – Chapter 91 – group life insurance; dependent coverage**

HB 2083 increases the amount of monies that can be purchased through a group life insurance policy on a dependent spouse and child to no more than 100 per cent of the employee amount.

### **HB 2129 – Chapter 151 – automobile insurance; unearned premium refunds**

HB 2129 permits a company affiliated with an insurer to bill and collect premiums on behalf of the insurer to reimburse the policyholder any unearned premium within 10 days after the policy cancellation.

### **HB 2251 – Chapter 188 – health benefits plan**

HB 2251 allows employees to purchase individual health insurance using pre-tax dollars by eliminating reference to section 125 of the Internal Revenue Code in the accountable health plan statute (A.R.S. 20-2301). Eliminating reference to section 125

clarifies that individual insurance purchased through cafeteria plans need not comply with the group insurance provisions governing the accountable health plan statute.

### **SB 1032 – Chapter 38 – health insurance; portability; accountability; disclosure**

SB 1032 makes numerous changes to the health insurance statutes to ensure that Arizona's laws comply with the Health Insurance Portability and Accountability Act (HIPAA) and subsequent federal regulations.

#### ***Provisions***

- Repeals the Health Benefit Plan Committee.
- Requires health care insurers to provide notification to the individual that the "certificate of creditable coverage" is proof of prior coverage and availability of insurance rights under HIPAA for 63 days after the individual's group coverage ends.
- Requires health care insurers to disclose in writing any pre-existing condition exclusion period that applies to the individual if the insurer imposes a waiting period for coverage of pre-existing conditions. The notification shall be made within a reasonable period of time after receiving an individual's proof of creditable coverage.
- Requires written disclosure of the insurer's determination regarding any pre-existing condition exclusion. The disclosure shall include the following:
  1. the period of creditable coverage allowed toward the waiting period for coverage of preexisting conditions;

- 2. the basis for the insurer's determination;
- 3. notice of the individual's right to appeal the insurer's determination.
- Requires the Department of Insurance to monitor and enforce the issuance of certificates of creditable coverage.
- Prohibits a health care plan from including an affiliation period unless the period complies with federal regulations.

### **SB 1069 – Chapter 137 – industrial insureds**

SB 1069 clarifies the scope of deregulation that applies to industrial insureds.

#### ***Provisions***

- Exempts industrial insureds from insurance regulations regarding rate and form provisions, open competition of rates, policy provisions and insolvency protections.
- Prohibits an insurer from using industrial insured loss and experience information for the purpose of setting rates for other lines of insurance.
- Stipulates that industrial insureds are not eligible for protection from the guaranty fund in the event of insolvency.
- Requires industrial insureds to disclose annually to the Department of Insurance the number of policies written, total losses incurred and the total number of claims incurred.
- Authorizes industrial insureds to purchase surplus lines insurance after certifying to surplus lines brokers that they qualify as an industrial insured.

- Authorizes the director to exempt rates, rating classes or rules or programs from filings.
- Requires insurers to notify the Director of prospective loss costs.
- Allows an industrial insured to purchase and an insurer to sell to an industrial insured a medical malpractice policy.

### **SB 1070 – Chapter 279 – insurers; risk-based capital requirements**

SB 1070 establishes risk-based capital (RBC) requirements on managed care entities. RBC measures an insurer's financial health by measuring the insurer's risk exposure. In the event that an insurer does not meet its RBC requirement, the Department of Insurance has the authority to conduct an investigation.

#### ***Provisions***

- Requires managed care entities report and adhere to the RBC. The RBC formula shall take into account the managed care entity's asset risk, credit risk and underwriting risk.
- Stipulates that any action or decision made by the director in regards to a managed care entity's RBC plan is appealable.
- Authorizes the director to exempt a health organization from the RBC requirements if the following conditions are met:
  1. the health organization writes direct business only in this state;
  2. no more than five per cent of the health organization's gross direct written premiums are attributable to reinsurance assumed from foreign insurers;

3. the health organization writes direct annual premiums for comprehensive medical business of \$2.0 million or less, or the organization is a dental or optometric service corporation or prepaid dental plan organization that covers less than 2,000 lives.
- Contains a delayed effective date of January 1, 2001.

### **SB 1076 – Chapter 74 – \*emergency ambulance services**

SB 1076 clarifies that coverage of emergency medical services includes emergency services provided by an ambulance provider without prior authorization.

#### ***Provisions***

- Defines *emergency ambulance services* as services that, in the absence of medical attention, may result in serious impairment of bodily functions or serious dysfunction of a bodily organ or part or places the health of a pregnant woman or her unborn child in serious jeopardy.
- Allows health care insurers providing coverage for emergency ambulance services without prior authorization to apply copayments, coinsurance and deductibles.

### **SB 1093 – Chapter 306 – department of insurance: continuation**

SB 1093 continues the Department of Insurance for an additional ten years, until July 1, 2010. The bill is retroactively effective to July 1, 2000.

### **SB 1130 – Chapter 338 – motor vehicle insurance; subrogation; nonrenewal**

SB 1130 modifies the statute of limitations for uninsured motor vehicle subrogation claims.

#### ***Provisions***

- Modifies the starting date for the statute of limitations for uninsured motor vehicle subrogation claims to two years after the date the insurer first makes payment to the insured for the uninsured claim.
- Clarifies that an insurer may fail to renew a motor vehicle insurance policy if an insured has had three or more at-fault accidents within three years under any policy issued by the insurer.

### **SB 1142 – Chapter 330 – commercial mortgage bankers: fees**

SB 1142 clarifies that the annual license renewal fee for commercial mortgage bankers is \$1,250 with an additional \$250 for each branch office.

### **SB 1172 – Chapter 339 – prepaid dental plan organizations**

SB 1172 transfers oversight of prepaid dental plans from the Department of Health Services (DHS) to the Department of Insurance (DOI). To supplement the transfer of authority, SB 1172 transfers \$133,000 from DHS to DOI for FY 2001-02 for two full-time employees and related expenses for the additional authority and duty.

### **SB 1173 – Chapter 370 – insurance discrimination; domestic violence**

SB 1173 prohibits insurers from using domestic violence as the sole basis for denial, cancellation or refusal to renew property and liability insurance.

#### ***Provisions***

- Permits a property and liability insurer from excluding coverage for losses caused by an insured's intentional or fraudulent act. The insurer shall not deny coverage of property loss if the loss is caused by an act of domestic violence and the insured filing the claim did not contribute to the property loss.
- Allows the insurer to limit payment for a domestic violence property claim to the insurable interest in the property minus payment still owed to other parties with a secured interest in the property.
- Requires insurers to follow written policies that ensure the confidentiality and safety of domestic violence victims and to distribute these policies to employees that have access to confidential information regarding domestic violence.
- Defines a victim-defendant relationship in A.R.S. 13-3610 (Title 13, criminal code) as a relationship of marriage, former marriage or of persons residing or having resided in the same household.
- Defines *domestic violence* in A.R.S. 20-448 (Title 20, insurance code) as:
  1. any act that is a dangerous crime against children,
  2. the relationship between the victim and the defendant is one of marriage, former marriage or of persons residing

or having resided in the same household, or

3. the victim is related to the defendant by blood or court order.

### **SB 1197 – Chapter 255 – consumer lenders**

SB 1197 expands the authority of the Arizona State Banking Department to regulate consumer lenders.

#### ***Provisions***

- Eliminates language that exempted consumer loan companies licensed by another state or the federal government from Arizona regulation.
- Requires all consumer loan companies doing business with Arizona residents to be regulated by the Department.
- Eliminates the requirement that the Department examine consumer lenders annually. The Department may examine the business and affairs of any consumer lender at any time if deemed necessary by the Superintendent, but at least once in a five-year period.
- Requires a consumer lender licensee to designate the principal location of its licensed office.
- Limits home equity revolving loans to \$10,000.

### **SB 1294 – Chapter 262 – mortgage guaranty insurance**

SB 1294 increases the loan to value for mortgage guaranty insurers to no more than 100 per cent of the market value of the combined security and exempts mortgage guaranty insurers from certain reinsurance requirements.

*Provisions*

- Stipulates that mortgage guaranty insurance covering a pool of loans is to be reflected in the minimum policyholder position (MPP) calculation. MPP means the minimum capital required to be held by a mortgage guaranty insurer based on the amount of risk it has insured.
- Requires a mortgage guaranty insurer to submit a report of its MPP on a form approved by the Director of the Department of Insurance with its annual statement.
- Specifies that information submitted to the director is confidential.



Committee Chairman: Representative Laura Knaperek  
Research Analyst: Keri Sparks

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\* Strike-everything amendment

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**HB 2059 – Chapter 150 – child support; escrow account**

HB 2059 requires that a self-employed parent or parents who owe child support forward monies to the Department of Economic Security (DES) if ordered by the court.

***Provisions***

- On request of either parent or on the court's own motion, the court may order both parents to meet with a federally authorized tax practitioner to help the court determine the child support obligation if at least one of the parents is self-employed.
- If good cause is shown, the court may order a self-employed parent or parents to forward monies to DES as a security in an amount equal to not more than six months of child support payments.
- If an obligor misses a child support payment, DES shall release monies held to compensate the obligee.
- This section does not apply unless the obligor is in arrears for 90 days or more.
- The person receiving payments of child support may request other methods of payment in addition to the monies held by DES to ensure payment is made to the court.
- If payments by the obligor are paid in a full and timely manner for 24 consecutive months, DES shall release any monies to that obligor that remain.

**HB 2113 – Chapter 270 – group homes for juveniles**

HB 2113 amends the provisions and penalties relating to group home contracts.

***Provisions***

- State agencies who subcontract with group homes must require each contract that is awarded, renewed or amended to meet the following stipulations:
  1. provide a safe, clean and humane environment for residents;
  2. supervise residents while in the group home or while attending any off-site activities organized by the group home;
  3. must be licensed by the Department of Economic of Security (DES) or the Department of Health Services (DHS);
  4. a group home may be in breach of contract if a violation of the license occurs.
- State agencies and regional behavioral health authorities may share contract information with each other which shall not personally identify clients.
- Requires the following contract remedies if a contract violation occurs:
  1. a schedule of financial sanctions, up to \$500, which may be assessed against the group home contractor;
  2. remove residents from the group home or may suspend new placements to the group home until the violation is corrected;
  3. right to cancel the contract.
- The contracting authority shall initiate an investigation within 10 days of the complaint.
- If a violation has occurred, the group home must notify the contracting authority and create a corrective plan equivalent to the severity of the violation.

- The corrective plan must be implemented within 90 days.
- If the violation is not corrected in a timely manner, the contracting authority may cancel the contract immediately upon notice to the group home and remove the residents.
- The sum of \$5,000 shall be paid by the state agency for each violation that is upheld by an administrative law judge or hearing officer. The legislature shall appropriate monies under this section for similar programs that provide direct services to children.
- When a violation has occurred, the licensing authority must notify the appropriate contracting authority.
- When evaluating a request for a proposal, any contracting authority may consider all records of contract violations and licensing violations.
- A central registry of group homes licensed by the state shall be established by DHS by January 1, 2002.

### **HB 2263 – Chapter 213 – parent action councils**

HB 2263 establishes a Children's Rehabilitative Services Statewide Parent Action Council.

#### ***Provisions***

- The council consists of voting members and nonvoting members.
- Outlines the members of the council.
- Outlines the duties of the council.
- To exchange ideas regarding the delivery of services, the co-chairmen shall meet annually with the medical director of the

Children's Rehabilitative Services (CRS) division.

- Each of the clinic sites shall establish a regional Parent Action Council (PAC).
- Council members shall not receive compensation, but are eligible to receive reimbursement of expenses.
- The program ends on July 1, 2010.

### **HB 2398 – Chapter 9 – preschool programs; accreditation**

HB 2398 requires preschools receiving funding under the early childhood block grant program to become accredited.

#### ***Provisions***

- Sites must become accredited by July 1, 2000 to receive funding.
- The accreditation deadline may be extended if the agency administrator of the block grant believes the site is working toward accreditation.
- Sites that did not participate in the program the prior funding year, but are working toward accreditation or are accredited, may be eligible to participate in the program.
- Within 18 months after receiving original monies, a site must become accredited.

### **HB 2400 – Chapter 285 – \*local foster care review boards**

HB 2400 requires the court to review the local foster care review board's recommendation and adds members to the review team. The bill establishes Kinship Foster Care, the Transitional Independent Living Program, and the Family Advocacy Office.

***Provisions***

**Kinship Foster Care**

- Kinship Foster Care shall be established by the Department of Economic Security (DES).
- All members of the applicant's household, including the applicant, must submit a full set of fingerprints to DES.
- DES shall conduct one or more home visits to determine the applicant's ability to meet the health and safety needs for the child.
- A written notification stating the specific reason for denial, the applicant's right to appeal and DES's appeal procedure shall be sent to the applicant within 15 days if DES determines that Kinship Foster Care placement would not be in the best interest of the child.
- No later than November 30, 2000, DES must submit the program plan to the Joint Legislative Committee on Children and Family Services.
- DES shall establish a pilot program for Kinship Foster Care on or before January 1, 2001.
- An outcome evaluation regarding the impact and effectiveness of the Kinship Foster Care program shall be reported by the Auditor General by June 30, 2002.
- DES shall submit a report that includes outcome evaluation data and any recommendations for legislative changes to the Governor, the Speaker of the House Representatives, the President of the Senate and the Joint Legislative Committee on Children and Family Services.
- The pilot program shall end on December 21, 2004.

**Transitional Independent Living Program**

- Expands the Independent Living Program (ILP) to youths who are named in a dependency petition, are in voluntary placement up to the age of 18 years and to youths with a high school diploma or certificate of equivalency who are in the custody of DES.
- Establishes the Transitional Independent Living Program for persons under 21 years of age and have a dependency petition filed, are an adjudicated dependent or have been placed in voluntary placement.
- DES may provide the following services:
  1. Out of home placement, ILP, or other transitional living services if the person turned 18 years of age when the person was in out-of-home placement or in ILP.
  2. Transitional living support services, if the person was in custody of DES in out-of-home placement while the person was 16, 17, or 18 years of age.
- Eligibility shall be redetermined for youths between the ages of 18 to 21 on an annual basis by the Arizona Health Care Cost Containment System.
- The Joint Legislative Budget Committee, shall complete a written report of how federal monies received by DES for the Transitional Independent Living Program were collected and spent.
- An annual report shall be given by DES to the President of the Senate, the Speaker of the House of Representatives, the Joint Legislative Budget Committee and the Joint Legislative Committee on Children and Family Services.

**Local Foster Care Review Board**

- Recommendations from the local foster care review board must be reviewed by the court at the next scheduled dependency review hearing.
- DES shall provide the local foster care review board written notification regarding the board's decision whether or not to accept and implement the recommendations within 10 business days of the receipt of the recommendation.
- Permits the parent and grandparents to attend the local foster care review board's review of their case. An advocate may accompany the parent or grandparent.
- Allows children to stay in temporary custody up to 72 hours excluding weekends and holidays.
- The child's physician shall be included on the team if the child has a medical need or a chronic illness. If the physician is not available, a licensed physician shall be on the team.
- DES shall establish the Family Advocacy Office.
- A semi-annual report shall be submitted to the Governor, the Speaker of the House of Representatives, the President of the Senate and the Joint Legislative Committee on Children and Family Services.
- A copy of the report shall be given to the Secretary of State and the Director of the Department of Library, Archives and Public Records.
- The program shall end on July 1, 2005.

**Written Notice Regarding Removal of a Child**

- Requires a signature line on the written notice provided to a parent or guardian to acknowledge receipt of the notice.
- Adds the specific reason for removal and parental rights information to the written notice.
- Requires the protective services worker to leave all information with the parent or guardian even if the parent or guardian refuses to sign the acknowledgement.

**HB 2401 – Chapter 218 – \*CPS cases; legislative review**

HB 2401 makes changes relating to the Joint Legislative Committee on Children and Family Services.

***Provisions***

- If the subject of an investigation requests to meet with the Joint Legislative Committee on Children and Family Services regarding their case file, the Committee may meet with that person in executive session pursuant to A.R.S. 38-431.03 and without the presence of DES.

**HB 2406 – Chapter 155 – adoption**

HB 2406 makes changes regarding the temporary custody of a child and the adoption process.

***Provisions***

- For the purpose of adopting a child, each applicant shall be fingerprinted by the agency, an officer of the court or a designee of the division, agency or officer of the court.
- Changes *natural* parent to *birth* parent.

- If an applicant for adoption has already adopted a child more than three years before the current application, the division or agency may provide an updated report on any changes in circumstances that have occurred since the previous certification or licensing report.
  - If paternity testing has determined that the legal father is not the biological father, the legal father shall be excluded from granting consent to adopt.
  - The child shall attend the hearing relating to the petition for custody, except for good cause shown.
  - If the court determines that a person who is not currently certified should be permitted to have custody of the child, the court shall order that an application for certification be filed within 30 days after the hearing date.
  - A temporary custody petition or hearing is not required if the person who intends to adopt the child is currently the court appointed guardian of the child.
  - The potential adoptive parent or parents, an agency or the division may file a petition to adopt.
  - The petition shall specify that written consent to adopt has been given by the division or the agency that has been given custody of the ward.
  - Notice of the hearing on the petition to adopt shall be provided to any person or agency required to give consent unless the consent with a waiver of notice of hearing has been filed before the hearing.
  - Includes any history of child welfare referrals in the social study.
- Removes language regarding the time frames of the hearing on the petition to adopt.
  - Adds an outline of the time frames of when the court shall hold the hearing on the petition to adopt. The court shall hold the hearing:
    1. within 60 days if the child has resided in the adoptive home for at least one year preceding the filing of the petition for adoption. This requirement also applies if the prospective adoptive parent is the stepparent of the child and has been married to the birth or presumed parent of the child for at least one year.
    2. within 90 days if the child is under six months of age or has resided in the home for at least six months preceding the filing of the petition for adoption. If the prospective adoptive parent is the stepparent of the child, this requirement applies only if the stepparent has been married to the birth or legal parent of the child for at least one year.
    3. within six months after the filing of the petition for adoption in all other cases.
  - The petitioner shall file a notification of the expedited hearing with the petition to adopt.
  - If the court has not received the results of the criminal records check at least 48 hours before the final hearing, the court shall postpone the hearing and reschedule within 21 days after receiving the results.
  - The court or petitioner may postpone the final hearing up to 60 days in order to give notice to any interested party or for other good cause.

- A person who wishes to pay the living expenses of a birth parent that exceed \$1,000 shall file a motion with the court to permit that payment. A maximum of \$1,000 may be advanced for birth parent living expenses without a motion.
- An attorney may be paid only the amount the court approves as being reasonable and necessary for services in connection with adoption, paternity and severance proceedings.
- The accounting that the prospective adoptive parent shall file with the court shall include all living expenses, including those expenses that were advanced to the birth mother. The accounting shall also include an affidavit that is signed by the birth mother, either before or after the birth of the child, that verifies that she understands that the advanced payments do not obligate her to place the child for adoption.
- After the court has ordered the adoption, the order may change the entire name of the child to that of the adoptive parent or parents.
- Upon entry of the decree to adopt, the relationship is severed between the adopted child and the persons who were the child's parents before the decree of adoption, unless communication rights have been established pursuant to section 8-116.01.

**HB 2449 – Chapter 345 – juvenile court: mandatory parental attendance**

HB 2449 requires a parent, guardian or custodian to accompany their child to juvenile court.

***Provisions***

- If a child has a court hearing, the parent, guardian or custodian must appear. The court may waive this requirement and shall state on the record reasons for waiving the requirement.
- A parent, guardian or custodian who has failed to appear in juvenile court will be issued an order by the court to show.

**SB 1071 – Chapter 293 – housing assistance: protected children**

SB 1071 allows the Department of Economic Security (DES) to provide housing assistance to families who are involved in open child protective services (CPS) cases.

***Provisions***

- Eliminates the stipulation that a child must be a ward of the state for the family to receive housing assistance.
- DES may grant housing assistance to families with open CPS cases if lack of adequate housing is a barrier to a child returning or remaining in the home.
- Eliminates the cap of \$300 per month for six months. Allows DES to provide any sum of money up to \$1,800 in a six-month period to a family.
- Repeals Laws 1998, Chapter 276, Section 49, which would end housing assistance payments on June 30, 2000.
- Contains a retroactive date of July 1, 2000.

**SB 1134 – Chapter 75 – CPS: central registry: continuation**

SB 1134 continues the Central Registry that is maintained by the Department of Economic

Security (DES) regarding substantiated reports of child abuse and neglect.

***Provisions***

- Eliminates the repeal of Laws 1997, Chapter 223 which includes the Family Builders Pilot Program and the Central Registry.
- Repeals the Family Builders Pilot Program.
- Outlines information contained in the Central Registry.
- If a substantiated report was received before September 1, 1999, DES shall maintain the report in the Central Registry until 18 years from the victim's date of birth.
- If a substantiated report was received after September 1, 1999, DES shall maintain the report in the Central Registry for 25 years after the date of the report.
- All reports of child abuse and neglect shall be maintained in the Case Management Information System within DES according to DES's Records Retention Schedule.
- Outlines the purpose of the reports and records that are maintained by DES.
- Except as otherwise provided by law, maintained reports and related records shall not be used for the purpose of employment or background checks, except for background checks stated in A.R.S. 8-804, subsection B.
- The changes made in section 8-804 and the addition of section 8-804.01 are effective December 31, 2000.

**SB 1135 – Chapter 22 – CPS:  
caseload standards committee**

SB 1135 establishes the Protective Services Caseload Standards Committee.

***Provisions***

- Establishes the membership of the committee.
- Members of the committee are not eligible to receive compensation or reimbursement of expenses.
- The committee shall meet at least quarterly each year.
- The committee shall make recommendations regarding minimum and maximum Child Protective Services worker caseload assignments and recommend improvements for caseworker retention and training.
- Requires the committee to submit a report of its findings to the Governor, the President of the Senate and the Speaker of the House of Representatives on or before November 15 of each year.

**SB 1136 – Chapter 23 – child  
protective services; family  
builders**

Establishes the Family Builders pilot program as a permanent program.

***Provisions***

- Allows for expansion of the geographical locations of the program.
- Maintains current program guidelines.
- On or before November 1, 2001 and November 1, 2004, the Auditor General shall provide an evaluation of the impact and effectiveness of the program.



- Contains a retroactive effective date of June 30, 2000.

### **SB 1274 – Chapter 261 – \*human rights committees**

SB 1274 establishes Human Rights Committees within the Department of Economic Security (DES) and the Department of Health Services (DHS).

#### ***Provisions***

- States that any information that is released to the Human Rights Committees shall comply with the requirements of A.R.S. 41-3804 and applicable federal law and shall be released without personally identifiable information.
- Establishes a Human Rights Committee on the Developmentally Disabled within DES to promote the rights of clients who are receiving developmental disabilities services from DES.
- Establishes a Human Rights Committee on Children, Youth and Families within DES to promote the rights of persons who receive services from the Division of Children, Youth and Families.
- Establishes a Human Rights Committee on the Mentally Ill within DHS to promote the rights of persons who receive mental health services.
- Each region of the state covered by a Regional Behavioral Health Authority (RBHA) shall have at least one Human Rights Committee on the mentally ill.
- Outlines the membership of the Committees.
- Outlines the duties of the Committees.

- Committee members, staff and consultants shall have access to client records maintained by the appropriate department, provider or RBHA.
- Outlines the procedure for the Human Rights Committees when a Committee is denied access to information.
- Provides that information given to the Human Rights Committees is subject to the same provisions regarding discovery and use in legal actions as are the original records.
- Adds immunity protection to Committee members.
- DHS shall conform their rules relating to persons with serious mental illness to apply to children as well as adults.
- DHS shall be exempt from the rule making process for one year to conform their rules.

### **SB 1286 – Chapter 312 – child support**

SB 1286 provides the Department of Economic Security (DES) authority to enforce health insurance coverage and support disbursement to temporary caretakers.

#### ***Provisions***

- Eliminates the Clerk of the Court collecting annual alimony and child support handling fee payments.
- Worker's compensation benefits are eligible for assignment for payment of child support.
- Establishes the Child Support Enforcement and Domestic Relations Reform Committee and its two

subcommittees into permanent statute with a sunset date of July 1, 2007.

- The co-chairpersons shall jointly appoint members to the Domestic Relations Reform Committee.
- Allows the court to issue a child support warrant if a parent or guardian fails to appear in court.
- Modification or revocation of an order for child support may result with an addition or a change in the availability of health insurance coverage.
- A person who files for an administrative review must send any additional information requested by DES within 10 days, otherwise DES shall issue a final determination based on the information provided.
- Mandates that both the state IV-D agency and the other parent be notified of the termination or that the carrier has changed health insurance coverage.
- A parent who is required by an administrative or court order to provide health insurance shall supply DES with all information regarding the health coverage.
- DES or its agent may deliver a medical support notice to the obligated parent's employer.
- By written notice, the obligated parent may file an administrative review to contest the medical support notice.

- If the obligated parent changes employment, that parent must provide all information regarding the new health coverage to DES within 30 days.
- If the employer does not provide dependent coverage, the employer does not have to create the coverage. The employer must inform DES of this within 10 days.
- Establishes a process for genetic paternity test when the mother cannot be located.
- Increases the time frame to request for an administrative review from 15 to 30 days for an obligor, obligee or caretaker to contest disbursal to a caretaker.
- Contains a delayed repeal of A.R.S. 25-535 from and after September 30, 2000, relating to enforcement of health insurance coverage.
- Contains an effective date of A.R.S. 25-535 from and after October 1, 2000, relating to enforcement of health insurance coverage.
- Contains a delay repeal from and after December 31, 2007 of A.R.S. 25-320.01, child support arrearage.
- Contains a conditional enactment.

**SB 1290 – Chapter 183 – kinship foster care**

*SB 1290 contains identical provisions relating to Kinship Foster Care as does HB 2400.*

**Committee Chairman:** Representative Barbara Leff  
**Research Analyst:** Diana Clay O'Dell

### List of Bills

\* Strike-everything amendment  
[P 108] Proposition 108 clause

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### **HB 2066 – Chapter 173 – shopping carts; identification; retrieval**

HB 2066 establishes uniform statewide regulation for the retrieval of shopping carts by local governments. The provisions apply only to carts that have a permanently affixed sign identifying the owner of the cart and the authorized procedure for removal.

#### ***Provisions***

- Authorizes the impoundment of shopping carts, as outlined.
- Allows a city, town or county to recover actual costs and fine the owner up to \$50 for failure to retrieve carts within three business days after the third *occurrence* in six months. Defines an *occurrence* to include all shopping carts impounded in a one-day period. After 30 days, the carts may be sold or disposed of by the entity in possession of the carts.
- Requires businesses that retrieve shopping carts to maintain [in each vehicle] written authorization from the carts' owner or agent. The vehicle must also display a sign identifying the service.
- Prescribes a class 3 misdemeanor for violations [30 days/\$500 fine].

### **HB 2069 – Chapter 268 – electronic transactions act**

HB 2069 creates the Arizona Electronic Transactions Act to allow businesses, governmental agencies, public corporations and private citizens to utilize current electronic technology for communication and filing purposes.

#### ***Provisions***

- Applies to all electronic signatures and electronic records relating to a transaction between parties, upon mutual agreement.
- Permits electronic records/signatures to satisfy any necessary lawful requirement to obtain a *written* record.
- Authorizes electronic record retention and outlines the requirements.
- Stipulates *secure electronic signatures* prevail when they are unique to the user, capable of verification, under the user's sole control, and linked to a related electronic record. Specifies certain rebuttable presumptions.
- Outlines the requirements for electronic notarization, including evidence of a time stamp token recognized by the Secretary of State.
- Requires each governmental agency to determine the extent to which it will create and retain electronic records/signatures, including the conversion of current written records on file. Directs state agencies to comply with the standards and policies adopted by the Government Information Technology Agency and the Secretary of State.
- Stipulates the requirements for *non-electronic consumer contracts* or agreements.
- Contains a severability clause.

### **HB 2088 – Chapter 7 – collection agency offices**

HB 2088 repeals the law that requires a collection agency to maintain an in-state office and an in-state depository. The collection agency may utilize a depository in

the state where the principle office is located when there is no in-state office.

### **HB 2117 – Chapter 174 – real estate; broker management clinics**

HB 2117 amends the statutes that regulate the Department of Real Estate.

#### ***Provisions***

- Requires the Department of Real Estate to determine the course content and instructor qualifications for broker management clinics and permits charging a fee for the instruction. Designated brokers must attend a clinic for every two-year licensing period.
- Increases the Real Estate Advisory Board by adding two residential brokers. No more than five members from one county may serve concurrently.
- Defines and clarifies a Real Estate Employment Agreement.
- Defines *provisional license* and authorizes its use.

### **HB 2169 – Chapter 103 – pawnbrokers; transactions; records**

HB 2169 aids law enforcement agents in recovering stolen property by lengthening the amount of time that pawnbrokers must maintain purchased or pledged merchandise in their possession, and by allowing agents greater access to pawnbrokers' records and receipts.

#### ***Provisions***

- Increases the amount of time pawnbrokers must retain property after the original purchase [10 days to 20 days].
- Requires complete records of all reportable transactions and pawn tickets to be kept at the pawnbrokers' places of business. Pawnbrokers shall allow local law enforcement officers, upon request and when in the line of duty, to inspect the receipts, pawn tickets, or Alcohol, Tobacco, and Firearms logs, or to review any property received through reportable transactions.
- Requires the sheriff's report to include a fingerprint of the pledgor or seller.
- Increases the allowable monthly interest rate that pawnbrokers may charge.
- Decreases the minimum size of goods for which there may be storage fees.
- Permits the sheriff to suspend pawnbrokers' licenses for a period of not more than 30 days for acts that demonstrate a *pattern of misrepresentation*, or *willful omission* of information with the intent to mislead.
- Requires applicants for new pawnbroker licenses to submit a \$1,000 fee.

### **HB 2191 – Chapter 207 – \*rural business incubator advisory board**

HB 2191 continues the Rural Business Incubator Advisory Board until December 31, 2005.

Contains a retroactive effective date of January 1, 2000.

### **HB 2192 – Chapter 152 – deeds of trust; sales**

HB 2192 makes changes to statutes that govern deeds of trust.

#### ***Provisions***

- States that a substitute trustee's qualifications shall be noted for all beneficiaries.
- Clarifies the notice and recording requirements. Permits posting notice to secluded property at the gate or common entrance.
- Outlines factors that will not invalidate a sale.
- Requires the trustee to allow cash for a bidder's deposit and mandates delivery of the deed within seven business days after receiving payment.
- Increases the maximum trustee fees that may be charged.

### **HB 2223 – Chapter 92 [P 108] – board of private postsecondary education**

HB 2223 amends the statutes that govern the Arizona State Board for Private Postsecondary Education.

#### ***Provisions***

- Removes archaic language.
- Stipulates that the regulatory provisions of the bill do not apply when instruction is less than 40 hours at a cost less than \$1,000.
- Authorizes the Board to require a surety bond, regardless of accreditation.

- Outlines elements the Board may consider when assessing the amount of the bond.
- Provides a schedule of fees and penalties.
- Defines and outlines requirements relating to distance learning instruction.
- Clarifies the Board's duties in relation to the student tuition recovery fund and raises the cap to \$500,000. Clarifies eligible claims.
- Contains a Proposition 108 clause.

### **HB 2262 – Chapter 383 – \*Arizona job training; tax**

HB 2262 stipulates that beginning January 1, 2001, the Arizona Job Training Program shall be funded through an employer tax, rather than general fund monies.

#### ***Provisions***

- Sets up a job training employer tax equal to 1/10 per cent of taxable wages paid annually to each employee. Reduces the current unemployment tax rate by 1/10 per cent until the federal unemployment tax rate is reduced to six per cent or less, or until the repeal date of the program.
- Decreases the Department of Commerce's appropriation for FY 2000-01 from \$7 million to \$3.5 million.
- Conforms employment security laws to the federal guidelines and requirements.
- Requires the Department of Commerce to reimburse a maximum \$400,000 to DES for start-up and implementation costs.
- Designates which funds the unencumbered and unexpended monies shall revert to upon expiration of the program.

### **HB 2307 – Chapter 60 – employee blacklisting; escrow agents**

HB 2307 protects an escrow agent from civil liability when providing a written employment reference that reports an applicant's involvement in a theft, embezzlement or misappropriation that has been reported to federal authorities or to the Arizona Banking Department.

### **HB 2485 – Chapter 67 – admission tickets; fraud**

HB 2485 adds a section of law to the Criminal Code relating to forged admission tickets to sporting events, concerts and other major event venues.

#### ***Provisions***

- Makes it unlawful for a person [with intent to defraud] to forge, alter or possess an admission ticket or token to any activity or service offered to the general public. This includes sporting or amusement events, concerts or activities held at similar facilities.
- Establishes a Class 1 misdemeanor for violations [6 months/\$2,500].

### **HB 2517 – Chapter 51 – commerce; apprenticeship services**

HB 2517 designates the Arizona Department of Commerce as the state registration agency for apprenticeship functions. In addition, the bill transfers all powers, duties and appropriated monies for apprenticeship services from the Department of Economic Security to the Department of Commerce.

### **HB 2591 – Chapter 288 – utilization review; health care appeals**

HB 2591 clarifies that multi-employer employee benefit plans are exempt from the utilization review statutes and procedures of the Arizona Department of Insurance.

### **HB 2600 – Chapter 37 – managed care accountability act**

HB 2600 makes numerous changes to statutes governing managed health care plans.

#### ***Medical Decision Making***

- Any denial of a doctor prescribed treatment decision by a health care service organization shall be made by a medical director who holds a license to practice medicine in Arizona. All denials made on the basis of a medical necessity determination shall be made in writing and contain an explanation of why the treatment was denied.

#### ***Standing Referrals***

- Health care plans shall develop procedures for which an enrollee with a chronic condition needing ongoing care from a specialist shall receive a standing referral to such a specialist.

#### ***Expedited Medical Review/Appeals Process***

- An expedited review (within three days) must occur when the treating physician certifies that a delay is likely to cause harm to the patient.

#### ***Prescription Formularies***

- Health care plans shall maintain a process by which providers may obtain authorization for a medically necessary non-formulary drug.

- A health care plan shall approve a health care provider's request for a non-formulary drug if either one of the following conditions is met: (1) the formulary's equivalent has been ineffective in treatment of the enrollee's condition or (2) the formulary drug has caused an adverse or harmful reaction to the enrollee.
- Until an enrollee has been notified by the health care plan or pharmacy that there has been a change in the plan formulary, a health care plan shall not limit or exclude coverage for a prescription refill for at least 60 days if the drug previously had been approved and the provider continues to prescribe the drug.

#### ***Financial Incentives / Anti-Retaliation Rule***

- Health care plans are prohibited from terminating a provider contract or refusing to renew a contract on the basis that a provider advocates on behalf of a patient.
- Contracts shall not contain financial incentive plans that are an inducement to deny, reduce, limit or delay medically necessary care.

#### ***Chiropractic Care***

- Health care service organizations shall provide benefits covering care by network chiropractic providers for at least twelve chiropractic visits in a contract period.

#### ***Continuity of Care***

- Health care plans shall allow an enrollee to continue an active course of treatment with his/her health care provider for a transitional period if the enrollee has either: (1) a life threatening disease or condition in which case the transitional period is not more than 30 days or (2) has entered into the third trimester of pregnancy in which case the transitional

period includes the delivery and care up to six weeks after delivery.

#### ***Off Label Use***

- In the event that a drug is on a plan formulary for the treatment of one form of cancer, that drug may be used to treat another form of cancer if medical literature recognizes that drug as a safe and effective treatment for that cancer.

#### ***Third Party Intermediaries***

- Health care plans shall not contract with a risk bearing third party intermediary without the third party intermediary posting a dynamic bond in the amount of two months annualized revenue.

#### ***Timely Payment of Claims***

- Establishes time frames for the payment of claims to health care providers.
- Health care plans shall pay interest at the legal rate (10 per cent) for late payment on approved claims.

#### ***Advertisements***

- Removes the requirement that the Department of Insurance pre-authorize all advertising and sales material before a health care plan can distribute the material.
- Health care plans shall not issue or deliver advertising or sales material until the material has been filed with the Department of Insurance.

#### ***Liability***

- Establishes the right to sue a health care insurer for damages caused to an enrollee by the insurer's delay in authorizing or failure to authorize a request for a covered service that is medically necessary or by the insurer's denial of payment of benefits covered under the health care plan if the health care insurer acted in bad faith.



- Requires the enrollee to either complete the health care appeals process or provide written notice setting forth the basis for the suit to the health care insurer at least 30 days prior to filing an action.
- Excludes an employer or employer organization from liability.

#### ***Billing Information***

- Adds specific language to be included in any information sent to an enrollee regarding the status of a bill. The specific language clarifies that the information is not a bill and shall be prominently displayed at the top of the page. Violation of this section shall lead to a fine no less than three times the amount of the provider or hospital charges at issue.

#### **SB 1013 – Chapter 28 – compensation fund; continuation**

SB 1013 continues the State Compensation Fund and the related Board of Directors, investment committee and manager until July 1, 2010.

- Continues the State Compensation Fund and its related functions until July 1, 2010.
- Contains a purpose clause and makes the provisions retroactive to July 1, 2000.

#### **SB 1039 – Chapter 386 – professional corporations; voting shares**

SB 1039 allows professional corporations to issue voting shares or the option to purchase voting shares to an Employee Stock Ownership Plan (ESOP) if:

- All voting trustees of the ESOP are professionals licensed in at least one of

the professional services contained in that corporation's articles of incorporation.

- The ownership interests are only issued to professionals who are licensed to provide at least one of those professional services.

#### **SB 1041 – Chapter 292 – industrial development authorities; allocations**

SB 1041 allows qualified student loan projects to request allocations for private activity bonds from the second lottery.

#### **SB 1099 – Chapter 108 – securities; conformity; revisions**

SB 1099 makes numerous changes to the statutes that govern the Securities Division of the Arizona Corporation Commission [ACC].

- Defines and clarifies applicable terms.
- Directs the superior court to award reasonable expenses, including attorney's fees, when a person unjustifiably refuses to obey a subpoena or citation issued by the commission unless other circumstances make an award unjust. The monies shall be deposited into the state general fund.
- Provides that a request for an interpretive *no-action* letter must contain certain information as outlined. Clarifies the requests are specific to the case at hand and have no precedent-setting value, unless otherwise indicated in writing by the ACC.
- Codifies the current ACC rule that requires a cover letter and the appropriate filing fee. Outlines required timelines.
- Restricts the current exemption from ACC registration for charitable, religious and

educational institutions by requiring them to register debt securities such as bonds and promissory notes.

- Modifies the financial institution exemption in order to mirror the federal statute.
- Requires persons who perform three or more *viatical or life settlement investment contract* transactions per year to register with the ACC unless they qualify for an exemption, as outlined. Specifies requirements.
- Stipulates an application is deemed abandoned when on file at least six months or there is no response to a request for information for at least two months.
- Sets the fee for fingerprinting as established by the Department of Public Safety.
- Clarifies the formula for calculating securities registered by description.
- Eliminates the provision that allows the registration fee to be returned when an application is withdrawn.
- Clarifies and outlines the application requirements for a dealer and investment adviser.
- Prescribes that a dealer, salesman, investment adviser or representative may not re-file an application with the ACC for at least one year after a registration or license is revoked or denied.
- Makes failure to reasonably supervise salesmen under their supervisory control grounds for denial, revocation or suspension of a registration.
- Provides that even after a registration voluntarily terminates or lapses, a dealer or salesman, investment adviser or

investment adviser representative continues to be subject to the regulations of the ACC [for conduct that began before the termination or lapse] for a two-year period.

- Amends the timeframes for the hearing process.
- Outlines confidential information and its appropriate release.
- Establishes late penalties.
- Outlines the information that must be provided to the Commission prior to the sale of securities by closed-end companies. Prescribes and allocates fees.

### **SB 1111 – Chapter 308 – department of liquor; continuation**

SB 1111 continues the Department of Liquor Licenses and Control until July 1, 2010.

- Terminates the department on July 1, 2010 and repeals the enabling statutes on January 1, 2011.
- Contains a retroactive effective date of July 1, 2000.

### **SB 1132 – Chapter 86 – [P 108] regulating home inspectors**

SB 1132 establishes regulatory requirements for residential home inspectors to be administered by the Arizona Board of Technical Registration.

#### ***Provisions***

- Requires residential home inspectors to obtain certification through the Board of Technical Registration (Board). Outlines necessary requirements for applicants.

- Defines *home inspection* and outlines the specific components that inspectors must examine and include in the written home inspection report.
- Creates a five-member *Home Inspector Rules and Standards Committee* to make recommendations to the Board as outlined. The committee may participate in related Board investigations and reviews.
- Caps the renewal fee at \$400 and mandates insurance coverage for all inspectors.
- Prohibits advertising services unless the firm, partnership or corporation's home inspectors are certified and perform according to law.
- Outlines exceptions to the bill and grandfathers current home inspectors who provide the required information to the Board by December 31, 2002.
- Appropriates \$75,000 in FY 2000-01 from the technical registration fund to the Board for start-up and associated operating costs. Requires 30 per cent of renewal fees to be deposited back into the fund until the money is repaid.
- Allows the Board to contract with a national association for purposes of administering the required examination for registrants.
- Contains a Proposition 108 clause.

### **SB 1231 – Chapter 78 – check cashers**

SB 1231 authorizes businesses which cash checks to charge fees for their services and outlines the specific disclosure and posting requirements.

### ***Provisions***

- Permits businesses to charge specific fees for check cashing services and directs them to issue a receipt to the customer for each transaction. Limits the charge for cashing a government check to the greatest of \$5 or three per cent of the check's value.
- Mandates the display of a schedule of all fees for services, including charges for cashing checks and issuing identification cards. The notice must be conspicuously displayed in both English and Spanish with a list of the acceptable forms of identification.
- Prohibits a check casher or owner-operator of a labor pool from charging a day laborer for cashing a check issued by the labor pool.

### **SB 1244 – Chapter 121 – secondary motor vehicle finance transactions**

SB 1244 establishes regulations for secondary motor vehicle finance transactions, including the related contract provisions.

### ***Provisions***

- Requires the seller, bailor, or lessor of a secondary motor vehicle finance transaction to determine the annual finance rate by multiplying the monthly rate by 12, and to conspicuously disclose the annual rate in the contract.
- Limits and requires disclosure of the monthly finance rates as follows:
  1. 17 per cent for a loan of \$500 or less
  2. 15 per cent for a loan between \$500 and \$2,500

3. 13 per cent for a loan between \$2,500 and \$5,000
  4. 10 per cent for a loan over \$5,000
- Prohibits a licensee who violates the finance charge limits from collecting any principal, finance charges, or other fees in connection with that loan.
  - Voids any transactions made by a person required to be licensed but who is not.

### **SB 1266 – Chapter 141 [P 108] – deferred presentment companies; licensure**

SB 1266 provides for licensure and regulation of deferred presentment companies through the State Banking Department.

#### ***Provisions***

- Defines relevant terms, outlines exemptions and establishes application fees [\$1,000/\$500 per branch office] and renewal fees [\$400/\$200 per branch office].
- Specifies requirements for applicants, including background and financial history.
- Establishes the specific duties of licensees, who must conspicuously post all fees and maintain books, records and accounts.
- Prescribes grounds for denial, revocation or suspension of a license and outlines prohibited acts.
- Permits a customer to obtain only one deferred presentment transaction at a time [\$50 to \$500, excluding fees]. Limits the fees that may be charged to 15 per cent of the face amount of the check. Outlines transaction requirements.

- Allows three consecutive extensions, but requires termination of the previous agreement and signing a new separate agreement. Outlines remedies when a check is returned due to insufficient funds.
- Specifies that operating without a license is a Class 1 misdemeanor [6 months/\$2,500]. Outlines related penalties for violations by licensees.
- Repeals the provisions on July 1, 2010.
- Contains a Proposition 108 clause.

### **SB 1291 – Chapter 112 – dating referral services**

SB 1291 establishes regulations governing contracts for dating referral services.

- Outlines written requirements for dating referral contracts, which must be given to the customer at the time of signing.
- Directs businesses to keep original copies of all contracts for at least three years.
- Allows a customer to rescind a contract within three business days after signing the contract. Mandates a full refund within 30 days of receiving the notice.
- Outlines specific prohibited acts and stipulates noncompliance with the provisions of the bill makes a contract void and unenforceable.
- Permits an aggrieved customer to bring a civil action in a court of law. Allows the court to award actual damages and reasonable attorney fees.

### **SB 1330 – Chapter 355 [P-108] – \*healthcare plans; oversight**

SB 1330 establishes a consolidated regulatory structure for oversight of health care service organizations (HCSO) within the Department of Insurance (DOI). The also exempts Taft-Hartley trusts, long-term care insurance policies and Medicare supplement policies from utilization review.

- Defines *basic health care services* as those health care services that an enrollee may require as determined by the Director.
- Requires HCSO's to file with the Director a statement describing the HCSO and its health care plans, facilities and personnel.
- Requires that an HCSO show it is an appropriate mechanism to achieve an effective health care plan as determined by the Director prior to licensure.
- The Director of the Department of Health Services may participate in examinations that review the delivery of health and medical services by an HCSO for the purpose of determining whether the HCSO is in compliance with the laws of this state.
- Requires every HCSO licensed in this state to file an annual report with the Director. The report shall include financial statements, the number of persons enrolled during the year, the number of enrollees as of the end of the year, the number of enrollments terminated during the year and any other information relating to the performance of that HCSO.
- Authorizes the Director to examine the affairs of any HCSO as often as the Director deems necessary. Establishes that the Director may suspend or revoke

an HCSO's license for failure to provide or arrange for basic health care services.

- Appropriates \$500,000 from the state general fund in fiscal year 2000-01 for four employees to the Department.
- Exempts the Department from the rule making process for 18 months from the effective date of the act.
- Contains an effective date of June 30, 2001.
- Repeals A.R.S. 20-841.08 as added by Laws 2000, Chapter 37, regarding provider contracts and discrimination with respect to reimbursement procedures for medical services covered by hospital and medical service corporations.
- Contains a proposition 108 clause.

### **SB 1356 – Chapter 124 – board of technical registration**

SB 1356 makes changes to the statutes governing the Board of Technical Registration (Board).

#### ***Provisions***

- Allows the Board to contract directly with a national council or professional association to administer the registration examination.
- Clarifies the registrant is responsible for all documents signed, sealed and stamped, including those prepared by employees.
- Permits the Board to issue a *letter of concern*.
- Eliminates the requirement for a *return receipt* when notice is by certified mail.

**SB 1465 – Chapter 118 –  
manufactured housing; dealer  
bonds; accounts**

SB 1465 requires the Board of Manufactured Housing to adopt separate rules for *dealers* and *brokers* with regard to trust and escrow accounts. In addition, the bill authorizes the board to require *dealers* to post a surety bond or cash deposit.

Specifies additional grounds for disciplinary action when a licensed park owner, manager or the agent restricts access to buyers, sellers, dealers or brokers regarding the sale of a home or rental of a space if the Board determines there is a violation of law, as outlined.

**SB 1502 – Chapter 147 [P 108] –  
cosmetology**

SB 1502 makes changes to statutes governing the State Board of Cosmetology (Board).

***Provisions***

- Allows the Board to contract with a national professional organization to prepare, administer and grade the practical and written examinations.
- Modifies the fee schedule for examinations, licenses and related charges.
- Amends the criteria for obtaining a license.
- Adds requirements for instructor applicants as outlined.
- Specifies that an applicant who fails the instructor examination twice shall attend the appropriate licensed school for 250 training hours.
- Allows students to teach each other and eliminates the student/teacher ratio.
- Contains a Proposition 108 clause.

**Committee Chairman:** Representative Jake Flake  
**Research Analyst:** Tami Stowe

### List of Bills

\* Strike-everything amendment  
 [E] Emergency Clause

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## **HB 2125 – Chapter 202 –** **\*neighborhood preservation and** **investment commission**

HB 2125 establishes the Arizona Neighborhood Preservation and Investment Commission.

### ***Provisions***

- Prohibits members from participating in direct discussions or actions related to any project to be financed in a neighborhood in which the member has any direct or indirect personal financial interest and prescribes a Class 1 misdemeanor for violation of this provision.
- States that members are immune from liability for actions necessary to carry out the purposes of the Commission, except acts of gross negligence.
- Requires the Commission to comply with public meetings and public records laws.
- Establishes the powers and duties of the Commission.
- Establishes the Arizona Neighborhood Preservation and Investment Fund to be administered by the Commission.
- Allows the Commission to grant monies from the fund to reimburse cities for authorized expenditures for approved projects.
- Requires the State Treasurer, on notice from the Commission, to invest and divest monies in the fund and requires monies earned from these investments to be credited to the fund.
- States that monies in the fund are continuously appropriated and are exempt from lapsing.

- Prescribes the fund sources and what monies in the fund may be used for.
- Requires the Commission to grant monies from the fund to cities to fund neighborhood preservation and investment projects, which are to be for the installation, repair or upgrading of publicly owned municipal infrastructure.
- Requires the Commission to develop application guidelines and specifies the conditions for approval of an application.
- Stipulates that the Director of the Department of Commerce (Department) must provide administrative, technical and legal support to the extent funding is available from interest earned on monies in the fund and legislative appropriations.
- Limits the Department from spending more than five per cent of the total monies deposited in the fund during the previous fiscal year.
- Terminates the Commission on July 1, 2010.

## **HB 2318 – Chapter 216 –** **counties; hospitals; patient** **services; reimbursement**

HB 2318 clarifies that the dates of service eligible for county reimbursement of indigent health care include consecutive services.

### ***Provisions***

- Requires county reimbursement to hospitals for consecutive services for indigent health care provided to a patient who is discharged or released within the reimbursement payment schedules set forth in law.
- Allows the county, with the consent of the hospital or health care provider, to use the



claims resolution process prescribed in this bill to settle a disputed claim for services that are provided to a patient who is discharged or released before October 1, 1999.

- Changes the time frame in which a hospital or health care provider must file an action in court to resolve a disputed claim from not *less* to not *more* than 90 days after receiving notice.
- Allows private hospitals to give 12-hour notice of indigent services to the responsible county through electronic means, if available.

### **HB 2470 – Chapter 190 – public monies; investment**

HB 2470 allows for public monies to be invested in bonds, notes or evidence of indebtedness issued by any county improvement district to finance local improvements.

### **HB 2473 – Chapter 240 – \*town officers; severance pay**

HB 2473 allows municipal councils and county boards of supervisors to provide severance pay for municipal officers and county appointed officers by ordinance or by contract with an individual officer.

### **HB 2474 – Chapter 346 – cities; sale of property**

HB 2474 increases the value limit of real property of a municipality that may be sold without an election to \$500,000.

### **HB 2487 – Chapter 241 – state-county fiscal committee**

HB 2487 establishes a state-county fiscal committee and specifies who is to serve on the committee. The committee is repealed on January 1, 2011.

### **HB 2489 – Chapter 170 – county sale of items**

HB 2489 allows a county board of supervisors to sell any item prepared for use by the public, as well as by employees, not just items prepared for use in county parks.

### **HB 2490 – Chapter 61 – county dog licensing**

HB 2490 revises the rabies vaccination certificate requirements and dog licensing time frames.

#### ***Provisions***

- Allows veterinarians to submit the vaccination certificate to the county enforcement agency for the purposes of issuing a dog license.
- Clarifies that the vaccination certificate received by the agency can either be paper, electronic copy or fax.
- Removes the requirement that the type of vaccine be provided on the vaccination certificate.
- Changes the time frame for which a vaccination certificate must be transmitted to the county enforcement agent from before the 10<sup>th</sup> day of the month following the month during which the dog was vaccinated to two weeks after the vaccination date.

**HB 2494 – Chapter 161 –  
counties; benefits; meetings**

HB 2494 increases the cap on public funds which can be spent for life insurance for county elected officials or employees to \$50,000 or the amount of the annual salary, whichever is more.

***Provisions***

- Allows the board of trustees of two or more agencies that pool for joint purchasing of insurance to consist of three persons, rather than five.
- Repeals statute that prohibits a county employee from being paid more than the chief deputy of the employee's department.

**HB 2496 – Chapter 105 – jury  
selection process**

HB 2496 revises the jury selection process.

***Provisions***

- Changes the requirement of a presiding judge to make an order to draw a number of names for jury service to twice a year, rather than in January and July.
- Clarifies that the presiding judge is to determine the number of alternate grand jurors to be drawn and specifies there must be at least four alternate grand jurors.
- Allows the jury commissioner's agent to draw randomly from the master jury list, conduct the drawing publicly or to use an automated computer process for the random selection of names.
- Eliminates the requirement to keep minutes of the drawings.

**HB 2497 – Chapter 363 [E] –  
appropriation; juvenile detention  
centers**

HB 2497 is an emergency measure that appropriates \$2.1 million from the corrections fund in FY 1999-00 to the administrative office of the courts for deposit in the state aid to detention fund for providing state assistance to counties in maintaining, expanding and operating juvenile detention centers and transfers \$2.0 million from the Douglas - Arizona state prison complex wastewater treatment project appropriation to the state aid to detention fund.

**HB 2499 – Chapter 106 – rural  
economic development study  
committee**

HB 2499 establishes a rural economic study committee and specifies who is to serve on the committee. Repeals the committee on December 31, 2001.

**HB 2529 – Chapter 242 – jail  
districts; funds**

HB 2529 modifies how remaining monies may be used in county jail district funds.

***Provisions***

- Requires monies unexpended and unencumbered in the county jail district fund to be retained and may be allocated as necessary to:
  1. Reduce the county primary property tax levy.
  2. Reduce the subsequent year's district levy.
  3. Reduce the district's debt.

4. Be held as reserves for years in which district revenues do not meet expenditures.
  5. Offset future district construction and maintenance costs.
- States that county jail districts formed after January 1, 2000 shall only allocate monies based on numbers two through five as listed above.

**HB 2588 – Chapter 243 – municipalities; disposition of easements**

HB 2588 allows municipalities to convey to the appropriate property owner an easement no longer needed without receiving payment.

**HB 2636 – Chapter 402 – city utilities; election**

HB 2636 exempts municipalities incorporated by an alternative means from the election approval requirement prior to the construction, purchase, acquisition or lease of any plant or property of a public utility.

**SB 1034 – Chapter 301 – small community planning**

SB 1034 includes counties with a population of less than 100,000 people in the Small Community Planning Assistance Program and moves the program from the State Land Department to the Department of Commerce.

**SB 1055 – Chapter 387 – \*tax levy; juvenile facilities**

SB 1055 appropriates \$100,000 from the state general fund in FY2000-01 to the county jail juvenile improvement fund for the Arizona criminal justice commission to use for the

construction of juvenile beds in county jail facilities.

**SB 1331 – Chapter 24 [E] – taxing districts; election laws**

SB 1331 is an emergency measure that revises school board and taxing district filing deadlines to coincide with nomination petition deadlines and changes the filing date for recognition of new political parties to 65 days before the current deadline and eliminates the limit on how early the petition may be filed.

**SB 1482 – Chapter 57 – county affordable housing**

SB 1482 allows counties to use property for affordable housing programs and allows county boards of supervisors to establish a county housing trust fund for this purpose.

**SB 1514 – Chapter 266 – military airports**

SB 1514 establishes the process by which a political subdivision demonstrates to the Attorney General's (AG) office their compliance with Arizona law regarding land use in the vicinity of a military airport.

***Provisions***

- Requires the Arizona Military Airport Preservation Committee to include information submitted to the committee by the AG concerning the compliance status of political subdivisions and actions taken by the AG to enforce requirements.
- Authorizes two FTE positions in FY 2000-01 to the AG to carry out the provisions of this legislation.

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**Committee Chairman:**      **Representative Richard Kyle**  
**Research Analyst:**        **Diana Clay O'Dell**

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**SB 1086 – Chapter 229 – greater  
Arizona development authority**

SB 1086 allows special districts to receive financial assistance and tribal subdivisions to receive technical assistance from the Greater Arizona Development Authority. The bill allocates \$800,000 for technical assistance and limits a single project to a maximum of \$250,000 to be repaid within three years.

**Committee Chairman:** Representative Dan Schottel  
**Research Analyst:** Brian Lockery

### **List of Bills**

\* Strike-everything amendment  
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### **HB 2029 – Chapter 5 – capital outlay; community college districts**

HB 2029 contains technical language to complete changes passed by Laws 1999, Chapter 228.

### **HB 2123 – Chapter 322 – in-state tuition; teachers**

HB 2123 allows a person who is an employee of a school district in Arizona and is under contract to teach on a full-time basis or is a full-time teacher's aide at a school within that school district to qualify as an in-state student for tuition purposes. The bill specifies that the person is eligible for in-state tuition only for those classes relating to certification and that the person's family is not eligible for classification as an in-state student.

### **HB 2188 – Chapter 254 – schools; property sales**

HB 2188 replaces the term *buildings* with *facilities* in the statutes relating to the sale of school property.

### **HB 2218 – Chapter 342 – school finance revisions**

HB 2218 provides for the electronic submission of certain reporting data.

#### ***Provisions***

- Specifies that the charter of a charter school is subject to the same electronic data submission requirements as a school district.
- States that a transfer of a charter or charter school to another sponsor or the transfer of a charter school to a different charter must be completed before the beginning

of the fiscal year that the transfer becomes effective. The Superintendent of Public Instruction may approve the transfer of a charter school after the beginning of the fiscal year.

- States that a charter school may transfer to another sponsoring entity at any time if the charter school is sponsored by a school district that is found to be out of compliance with Title 15, the Uniform System of Financial Records or any state or federal laws.
- Requires a school district and a joint district to determine the apportionment of daily attendance for each pupil enrolled in a joint technological education district.
- Requires that the budget format include an electronic format that shall be submitted for each proposed, adopted and revised budget.
- Requires each governing board to publish the annual financial report of each school and electronically submit a copy to the Superintendent of Public Instruction by October 15.
- Establishes a schedule for the electronic submission of all budgets, revised budgets and adjusted budgets.
- Requires charter schools to follow the statutes relating to the correction of state aid or budget limit errors.
- Reduces the time frame for which the Superintendent of Public Instruction may determine if a miscalculation occurred in the state aid for a school district or charter school from five to three years.
- Transfers the regulatory and oversight responsibilities of the Optional Performance Incentive Program from the Career Ladder Advisory Committee to the Superintendent of Public Instruction.



- Stipulates that the school district reports regarding transportation shall be submitted to the Superintendent of Public Instruction electronically.
- Requires that each school district shall submit electronically to the Department of Education (ADE) the routes contracted, the contractor contract information, the number of eligible students transported by each contractor and any additional information requested by ADE.
- Prescribes for the electronic submission of the teacher experience index.
- Declares that final estimates of revenues and assessed valuation information shall be submitted electronically to the Superintendent of Public Instruction.

### **HB 2220 – Chapter 208 – schools; teacher fingerprinting**

HB 2220 requires teachers and administrators, upon renewal of any certificate, to have a valid Class 1 or Class 2 fingerprint clearance card, provide proof of the submission of an application for a Class 1 or Class 2 fingerprint clearance card or obtain a Class 1 or Class 2 fingerprint clearance card. HB 2220 also requires the Fingerprinting Division in the Department of Public Safety to keep the records of fingerprint clearance cards until the Division is notified of the expiration of the person's certificate.

### **HB 2265 – Chapter 271 – [E] \* teacher certification reciprocity**

HB 2265 is an emergency measure requiring the State Board of Education to establish minimum requirements regarding teacher certification reciprocity, which includes a reciprocal, one-year teaching certificate if the person possesses a valid teaching certificate from a state with similar criminal history or

fingerprinting requirements and provides proof of submission of an application for a fingerprint clearance card.

### **HB 2359 – Chapter 236 [E] – schools; special education revisions**

HB 2359 is an emergency measure making numerous changes to the statutes relating to special education.

#### ***Provisions***

- Confirms the membership requirements of the Special Education Advisory Committee to federal requirements.
- Removes the provision that a child with a disability may be exempt from parts or all of the testing requirements including the Arizona Instrument to Measure Standards (AIMS) test and the nationally standardized norm-referenced achievement test.
- Requires all school districts and charter schools to develop policies and procedures for providing special education services to children with disabilities within the district or charter school.
- Requires those persons applying to become surrogate parents to have a valid Class 1 fingerprint clearance card. By January 1, 2002, all persons currently serving as surrogate parents must obtain a Class 1 fingerprint clearance card.
- Requires that a reevaluation be conducted every three years to determine if the disability of a child remains and to determine continued placement in a special education program.
- Removes all current evaluation guidelines and replaces them with a new set of evaluation requirements.

- Removes language requiring the chief administrative official to consult certain persons in determining the placement of a child with a disability.
- Repeals a section of statute relating to the annual review of the placement of a child with a disability in a special education program and a section of statute regarding the educational progress of a child in a special education program.
- Adds a section of statute which requires that the parents of a child who is placed in a special education program shall receive reports of the child's progress in the general curriculum and in meeting the goals stated in the child's individualized education program (IEP) at least as often as progress reports are given to parents of children not placed in special education programs.
- Repeals an annual reporting requirement by governing boards to the Department of Education (ADE) and the Department of Economic Security (DES) regarding the number, category and ages of pupils with disabilities who are scheduled to graduate or otherwise terminate their special education programs by the end of the school year.
- Lowers the per cent of monies the State Board of Education receives from specified federal monies that must be annually distributed to school districts from 25 to 10 per cent.
- Removes the exemption for governing boards from collecting state or federal funds for a child who is admitted prior to the child's third birthday until the date of the child's third birthday.
- Clarifies that common school districts shall ensure that high school pupils whose parents reside within the boundaries of a

common school district are not counted by any other school district.

- Clarifies that any disclosure of educational records by the school district or charter school shall comply with the Family Educational and Privacy Rights Act of 1974.
- Eliminates the September 1 date for the determination of age in the definition of *child*.
- Repeals the requirement of DES to report annually to ADE and school districts by February 1 the number, level and type of developmentally disabled children.

### **HB 2365 – Chapter 136 – study committee; dual enrollment**

HB 2365 establishes the 18-member Joint Legislative Study Committee on Dual Enrollment. The Committee must report by December 15, 2000 and is repealed December 31, 2000. The duties of the Committee are outlined in the bill.

### **HB 2405 – Chapter 377 – \* AIMS; intervention; dropout prevention**

HB 2405 requires the Department of Education (ADE) to establish an AIMS Intervention and Dropout Prevention Program and to develop the Program's procedures and guidelines.

#### ***Provisions***

- Establishes requirements for the service providers to receive monies for participation in the Program.
- Requires ADE to submit an annual report by December 15 beginning in 2001.
- Appropriates \$50,000 from the general fund to ADE in FY 2000-01. A minimum

of 90 per cent of the appropriated monies shall be spent on direct services to pupils participating in the Program.

### **HB 2456 – Chapter 158 – schools; building renewal; age calculation**

HB 2456 allows school districts to use building renewal fund monies for the relocation and placement of portable and modular buildings and clarifies that, if the age calculation of a building results in a negative number, the calculation shall equal zero.

### **HB 2579 – Chapter 328 – \* reservation schools; study committee**

HB 2579 establishes the 13-member Joint Legislative Study Committee on Reservation Schools which is repealed December 31, 2000. The final written report is due by December 1, 2000. The duties of the Committee are outlined in the bill.

### **HB 2709 – Chapter 163 – school facilities board; rulemaking**

HB 2709 changes several dates in the statutes relating to the School Facilities Board (SFB) and appropriates monies from the deficiencies corrections fund in FYs 1999-00 and 2000-01.

#### ***Provisions***

- Changes the deadline from January 31, 2000 to December 31, 2000 for the adoption of minimum school facility guidelines for the Arizona State Schools for the Deaf and the Blind.
- Moves the delayed effective date of the SFB's exemption from the rule-making process to establish minimum school facility adequacy guidelines from December 1, 1999 to December 31, 2000.

- Changes the SFB's procurement statute exemption date from December 31, 1999 to December 31, 2000.
- Appropriates \$760,000 to the SFB from the deficiencies correction fund in FY 1999-00 for the initial assessment of school facilities and equipment.
- Appropriates \$450,000 to the SFB from the deficiencies correction fund in FY 2000-01 for operating expenditures.

### **SB 1042 – Chapter 277 – schools; pupil disciplinary proceedings**

SB 1042 requires school district governing boards to establish rules for the readmission of pupils who have been expelled or suspended for more than 10 days.

- Defines excessive absences as the number of days absent exceeding the number of required attendance days by 10 per cent.
- Specifies that such rules cannot violate a pupil's constitutional rights.
- Eliminates the mandatory revocation of a teacher's certificate if pupil disciplinary laws are not followed.

### **SB 1096 – Chapter 165 – \* risk pool insurance**

SB 1096 expands the membership of risk retention pools to include licensed subcontractors who do work for the state and the state's political subdivisions and licensed contractors who do work for the state's political subdivision and allows a nonprofit organization formed for the purpose of creating a risk retention pool to make distributions to its members within statutory guidelines.

### **SB 1116 – Chapter 166 – \*federal regulatory relief**

SB 1116 allows the Superintendent of Public Instruction to issue waivers of state statutory requirements to schools and school districts consistent with the federal Education Flexibility Partnership Act.

### **SB 1139 – Chapter 388 – \*A+ programs; accountability measures**

SB 1139 changes the funding formula for accountability measures related to the A+ Program.

### **SB 1167 – Chapter 76 – school report card; class size**

SB 1167 requires schools which offer K-3 instruction to include the pupil/teacher ratio in the school's annual report card for each classroom where K-3 instruction is provided and to include the average class size for each grade level in K-8. The bill also establishes the 13-member K-3 Classroom Size Reduction Planning Committee which is repealed December 31, 2005. The Committee's duties are outlined in the bill and an annual report is due on September 15 starting in 2000.

### **SB 1463 – Chapter 132 – retired teachers; return to work**

SB 1463 permits a retired member to return to work and remain eligible to receive retirement benefits if they meet certain requirements.

#### ***Provisions***

- Defines normal retirement age.
- Permits a retired member to return to work and remain eligible to receive retirement benefits if certain requirements

are met. This section is repealed June 30, 2003.

- Exempts the employers of retired members from paying contributions on behalf of the retired member.
- Specifies that a retired member returning to work does not accrue credited service, retirement benefits or long term disability benefits for the period the person returned to work.
- Requires the Arizona State Retirement System Board to determine a biennial contribution rate based on the Long-Term Disability (LTD) program experience of the employers and the costs of administering the LTD program. This section is retroactive to June 30, 1999.

### **SB 1466 – Chapter 82 – schools; alternative to suspension programs**

SB 1466 requires school districts to establish Alternative to Suspension Programs by January 1, 2001. School districts shall be allowed to choose which activities will be included in their Alternative-to-Suspension-Programs.

**Committee Chairman:** Representative Carolyn Allen  
**Research Analyst:** Dan Shein

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### **HB 2049 – Chapter 335 – environmental exposure risk assessment program**

An environmental exposure risk assessment program is established in the Department of Health Services (DHS).

The program shall analyze public health risks and provide for an independent evaluation and assessment of strategies to reduce or prevent risks.

DHS shall provide assistance to state and local agencies and private entities and persons on risk assessment (if the analysis and evaluation services are not adversely affected).

DHS shall establish a fee that is transmitted to the risk assessment fund. Authorized expenditures are: performing health effect studies and risk assessments; evaluating and calculating cleanup standards; assisting in communicating health and risk issues to the public and providing for reasonable and necessary costs for administering the program.

The program ends on July 1, 2010.

DHS and the Department of Environmental Quality (DEQ) shall enter into an agreement for determining the assessment and evaluation services that the former shall provide to the latter and the method for determining reimbursement where the cost exceeds the amount of money transferred. In FY 2000-01 through 2002-03, \$216,000 is transferred from the Water Quality Assurance Revolving Fund (WQARF) for the risk assessment program. (The assessment and evaluation services do not have to relate to WQARF.) At the end of the fiscal year DHS shall return the unexpended and unencumbered monies to DEQ.

### **HB 2104 – Chapter 404 (LIV) – vehicle emissions program**

HB 2104:

- Modifies the eligibility requirements for the voluntary vehicle repair and retrofit (V2R2) program.
- Modifies the vehicle emissions inspection (VEI) testing requirements and contract statute.
- Eliminates the repair grant program in the Department of Environmental Quality (DEQ).
- Transfers \$116,000 from the VEI fund in DEQ to the V2R2 program.
- Repeals the remote sensing program.
- Establishes a vehicle emissions identification, testing and repair research study with a six member legislative oversight committee.

#### ***V2R2 Eligibility***

- Registration in the preceding 12 months and the vehicle cannot have been unregistered for more than 60 days.
- The vehicle fails the emission inspection results portion of the test and the owner applies within 60 days of the failure.
- The emissions control system has not been tampered with or removed or disabled in whole or in part.
- The vehicle is taken to a participating repair facility.
- Participation is limited to one vehicle per owner; motor homes, motorcycles and salvage and fleet vehicles are not eligible.
- The owner's co-pay is \$150; the county co-pay is \$550; a vehicle that requires

more than \$700 in repair costs must pay the additional amount to be eligible.

- A vehicle able to accept a retrofit kit shall have one installed; if the cost is more than \$800 parts and labor, the owner must pay the additional cost to be eligible.
- Maricopa County shall operate and administer a program that requires replacement of catalytic converters on vehicles that fail emissions due to the catalytic converter system operation, provided that this system has not been tampered with.
- A maximum of 5 per cent of monies in the fund may be used for the purpose of educating the general public about eligibility for the program.
- Modifies the VEI testing requirements and contract statutes.
- An on-board diagnostic check may be conducted for advisory purposes in Area A and Area B; an on-board diagnostic check may be required in Area A for 1981 and newer motor vehicles in lieu of the transient loaded emissions test.
- VEI contract changes become effective January 1, 2002:
  1. The contract duration is between five-seven years.
  2. The state has the right to contract out for operation of the program though another provider if the original contract is terminated. The original contractor may retain any equipment, parts, tools and services which are proprietary in nature.
  3. Liquidated damages are payable by the state to the contractor at the conclusion of each year of the contract.

4. The formal requirement to work in conjunction with the Attorney General and Department of Administration on the bid specifications is removed.

5. The formal requirement for DEQ to inquire into the marketplace is removed. (The state procurement code, ARS title 41, chapter 23, is the procedure for agency contracts.)

- Repeals the remote sensing program.
- Provides for a research study oversight committee. A vehicle emissions identification, testing and repair research study will be conducted by DEQ; \$927,200 from the VEI fund may be used for this purpose. (The line item veto removed the multi-year authorization to spend up to \$927,200 through FY 2004-05.)
  1. The study is to be conducted in areas outside and immediately adjacent to the Area A and Area B boundaries and shall address alternative testing technologies, including improvements in remote sensing, the utilization of on-board diagnostics and any other alternative technologies not currently being used in Area A and Area B that can assist in identifying high emitting vehicles and facilitating their repair.
  2. The contractor shall report to DEQ at least every six months on the status of the research and the agency shall submit these reports to the Governor, the Legislature, JLBC and a study oversight committee comprised of three Representatives and three Senators.
  3. DEQ shall submit a preliminary progress report by June 30, 2002 on the status of the study.

4. DEQ shall submit a final report to the Governor, the Legislature, JLBC and the oversight committee by September 30, 2005 after providing a 30 day public review and comment period.

### **HB 2178 – Chapter 45 – WQARF: revisions**

The law makes a variety of revisions in the water quality assurance revolving fund (WQARF) program under the Department of Environmental Quality (DEQ).

Clarifies the exemption provisions in the procurement code (ARS 41-2501) regarding the contracting for WQARF activities. DEQ may use a single selection process (i.e. design/build) for remedial actions.

- Broadens the definition of *eligible party* to include any person that incurs costs for a remedial action that is in compliance with WQARF criteria (provides credit for working parties).
- Clarifies the definition of *remediated water* to be applicable to any Title 49 remediation (would also pertain to voluntary remediation and underground storage tanks corrective action, not just those sites on the WQARF registry).
- Clarifies that a facility within a site on the WQARF site registry is eligible for prospective purchaser agreements.
- Clarifies the standard for making determinations of no further action: allows the WQARF program to defer action to another DEQ program if applicable; the suspension would be reflected on the WQARF registry if applicable. The specific examples of no further action are removed.

- Changes the WQARF Advisory Board members' appointments to staggered three year terms.
- WQARF remedial actions are not licenses as defined in the Administrative Procedures Act for the purposes of licensing timeframes.

### **SB 1284 – Chapter 353 – air pollution control board: continuation**

The state air pollution control hearing board sunsets on July 1, 2000 and makes the Department of Environmental Quality (DEQ) actions relating to air quality permits subject to the Administrative Procedures Act as an appealable agency action.

The law also defines *approximately equal*, for the purposes of fees adopted by counties (Maricopa, Pima, Pinal) for air pollution control permits, as an amount not greater than 10 per cent more than the fees or costs charged by the state for similar permits or approvals, excluding per ton emission fees. This has applicability in ARS 49-112 B. for county ordinances or regulations that are as stringent as state law or rule, if the county demonstrates that the cost of obtaining permits or approvals from the county will be approximately equal to or be less than the state fee or cost for obtaining similar permits or approvals.

### **SB 1321 – Chapter 263 – voluntary environmental performance**

The law establishes a temporary mechanism (through December 31, 2004) in the Department of Environmental Quality (DEQ) to provide an organization (public or private company, corporation, political subdivision or



institution) an opportunity to voluntarily enter into an agreement with the agency through which it may receive certain benefits. The benefits are conditioned on the organization complying with certain program elements established by the agency and agreeing to meet certain performance objectives that are designed to reduce adverse environmental impacts. There are also elements to encourage activities related to pollution prevention and reduction. The new program is conditioned on a \$250,000 appropriation to DEQ by the 45th Legislature by July 1, 2001 or the receipt of \$250,000 in donations by July 1, 2001.

### ***General***

- DEQ shall consult with a variety of interested groups in the development and implementation of the program and the agency shall adopt rules to implement the program.

### ***Mandatory elements***

- An environmental management system which is a program to prevent and detect violations of law (includes policies, procedures, training and annual compliance evaluations).
- The existence and maintenance of measures that document compliance with environmental statutes and rules.
- Additional elements as established by the director.

### ***Elective elements (based on size of organization and incentives requested)***

- Technology transfer and technology assistance.
- Active participation in environmental improvement programs.
- Promotion and participation in community environmental advisory programs.

- Management programs and incentives for environmental activities.
- Programs to reduce adverse environmental impacts of the organization's products or services.
- Evaluation and revision of environmental management systems.

### ***Cooperative agreements***

Each written agreement between the agency and the organization shall describe the incentive being offered and the required performance. The agency's decision to enter into an agreement is final and is not subject to administrative or judicial review. There is a minimum 30 day public review and comment period prior to the agreement. The following documents are available for public review: the application, the mandatory program elements, evaluation measures, proposed cooperative agreements, penalty waiver requests and disclosures relating to violations of waiver requests if granted.

The incentives are contained in the agreement and are awarded only if the organization has sufficiently complied with the agreement.

### ***Incentives***

The following incentives may be offered:

- Formal public recognition including state preferred vendor status.
- Greater reliance on self monitoring and reporting to demonstrate compliance. (DEQ shall not reduce the number of inspections required by law.)
- Accelerated permit review and processing.
- Consolidated permit applications with one agency person responsible for all permitting communications.

- Consolidation and simplification of reporting and monitoring requirements.
- Extension of permit terms up to the maximum authorized by law.
- Total or partial waiver of civil penalties. All penalty waivers shall be in writing in the form of a mutual agreement, administrative consent order or a judicial consent judgement.

***Reasons for denial of civil penalty waivers***

- Failure to disclose noncompliance within 72 hours or a later time, not to exceed 10 days, as specified in the agreement; corrections or remediations have not been done in a timely manner (mandatory).
- Failure to disclose noncompliance within 24 hours if it creates an imminent and substantial hazard to health and the environment and it is not corrected or remediated in a timely manner (mandatory).
- The noncompliance was or could have been discovered and was not disclosed before:
  1. a governmental inspection or investigation that would have discovered the noncompliance;
  2. the issuance of an information request by a government entity related to the noncompliance;
  3. the report of a whistle blower;
  4. the discovery by a governmental entity;
  5. issuance of an administrative order or the filing of a judicial complaint related to the noncompliance (mandatory).
- Serious actual harm to human health or the environment (mandatory) or

imminent and substantial hazard to human health or the environment (discretionary).

- The noncompliance violates any terms of any judicial or administrative order or consent agreement (mandatory).
- The noncompliance results in a significant cost savings to the organization (discretionary).
- The organization fails to provide information, access or assistance in investigating noncompliance problems (discretionary).

***Public records***

The following is not a public record: disclosures made solely for the purpose of receiving a civil penalty waiver if the waiver is not granted by DEQ or unless the information is otherwise protected pursuant to Title 49 (trade secrets).

***Withdrawal and termination***

Written notice to the agency is required for withdrawal.

DEQ shall terminate participation (and all incentives are withdrawn) if:

- The organization has made material misrepresentations of omissions.
- The organization or senior management has been convicted of any felony relating to environmental laws.
- The organization has repeatedly failed to comply with environmental laws unless the noncompliance is corrected or remediated in a timely manner to the satisfaction of DEQ and the organization has agreed in writing to implement procedures approved by the agency.

- The organization has failed to perform or accomplish any of the requirements of the agreement.
- The organization has failed to cooperate.

### ***Pollution prevention***

DEQ shall establish and administer a fund to provide low cost loans for pollution prevention and reduction programs.

### ***Grants and donations***

The Director may accept donations and grants for the voluntary environmental performance program and must report by December 1 of each year to JLBC the amount of grants received. Donations are made directly to the State Treasurer and are transferred to DEQ each quarter except for the first \$250,000, which is transferred immediately. The Treasurer cannot disclose the identity or amount of the donations received to the Department. The Treasurer shall report the amount of donations annually to JLBC.

### ***Conditional enactment***

The act does not become effective unless either of the following occurs:

- The 45<sup>th</sup> Legislature appropriates \$250,000 by July 1, 2001 for the purposes of the act.
- There are at least \$250,000 in donations by July 1, 2001.

### **SB 1349 – Chapter 31 – WQARF; no further action**

The law makes a variety of changes regarding timeframes, procedures and standards for obtaining a no further action (NFA) determination from the Department of Environmental Quality (DEQ) for a Water Quality Assurance Revolving Fund (WQARF) site.

- DEQ must provide the reasons for asking for additional information if the NFA request is incomplete. The applicant has 60 days to reply to that request and the agency has 30 days to notify the applicant if the additional information is complete. The submission of incomplete information may result in the denial of a NFA request and DEQ may reopen an investigation and take or require a remedial action for the same reason. (The parties may agree in writing to additional time for responses.)
- DEQ shall be allowed access to a site as a requirement for making a NFA request, and the Agency shall deny a request if access is not provided.
- DEQ shall make a final decision regarding a NFA or rescoring request within 300 days unless both parties agree to additional time. The Director's decision shall include the factual, technical and legal grounds for the decision.
- The determination of a NFA request shall be based on remedial action criteria rules (broader options: 1. the site has been remediated under a program other than WQARF; 2. groundwater impacted by a release does not and will not exceed water quality standards, or, if there is no water quality standard, a risk level approved by the Department to protect health, welfare and the environment; (3) a finding that there is no present or reasonably foreseeable use of water that would be impaired by the release as determined by a remedial investigation).
- DEQ may re-open an investigation and take or require remedial action for any of the following reasons:
  1. Discovery of new information based on remedial action criteria rules that would result in the potential denial of a NAF request.

2. Information is inaccurate, misleading or incomplete.
3. It is necessary to respond to a release or a threat of release of a hazardous substance that may present an imminent and substantial danger to the public health or welfare or the environment.

### **SB 1450 – Chapter 56 – air quality compliance advisory panel**

The law repeals the sunset provision that would terminate the Air Quality Compliance Advisory Panel on July 1, 2003. This advisory panel is required pursuant to section 507 of the federal Clean Air Act.

### **SB 1452 – Chapter 131 – environment; liability; storage tanks**

SB 1452 makes a variety of changes in the underground storage tank (UST) program in the Department of Environmental Quality (DEQ).

- The law contains the same liability provisions as Laws 2000, Chapter 117 (SB 1461).
- State assurance fund (SAF) eligibility is expanded to include:
  1. A volunteer who undertakes a permanent closure if the following requirements are satisfied: (1) the UST being closed is the source of a release to native soil that requires corrective action and it was reported to the agency; (2) permanent closure met all applicable statutory and regulatory requirements; (3) the person notified DEQ of the tank's

location, size and use and each release or suspected release and removes or closes the tank in a safe and secure manner which prevents releases of regulated substances.

2. Costs for professional fees directly related to the preparation of an SAF application (counts towards the co-pay).

- SAF does not cover tanks located at a site that is the subject of an enforcement action. An owner or operator is not the subject of an enforcement action if: (1) DEQ has filed an action in superior court unless the court has determined withholding payment is an appropriate action; (2) DEQ takes a corrective action without the consent of the owner or operator.
- The law addresses eligibility based on the date of a compliance order or a violated consent order: (1) For compliance orders and violated consent orders that become final on or before November 1, 2000, an owner or operator regains eligibility for SAF coverage upon satisfying the order or a final administrative decision. (2) For orders that become final after that date, DEQ may withhold up to 25 per cent for activities that are performed to cure the violation if the owner or operator has not demonstrated good faith efforts to meet the requirements of the order. The decision to withhold is an appealable agency action.
- DEQ shall pay eligible costs that are reasonable and were actually incurred. Reasonableness of corrective actions shall be determined based on the law and facts available to the owner, operator or volunteer at the time the technical decision was made.

- Appeal costs are paid in the next regular round of payment without being subject to ranking and in the order received.
- DEQ's review of corrective action costs that were preapproved is limited to determining whether they were actually performed and whether the costs conform to the preapproval.
- The time period for DEQ's schedule of corrective action costs is changed from every year to at least every three years, and for those years it does not establish a cost schedule, there will be an automatic adjustment based on the Bureau of Labor Statistics annual number for the final producer price index for finished goods less food and energy not seasonally adjusted.
- The UST technical appeals panel from Laws 1998, Chapter 298, Section 20, which was in session law and was to handle appeals through September 1, 2000, is placed in statute.
- Appropriations: \$10,000 from the SAF in FY 2000-01 to pay the administrative costs of the policy commission; \$10,000 from the SAF in FY 2000-01 to pay the administrative costs of the technical appeals panel.
- The December 31, 1999 date for the adoption of risk based corrective action rules is removed.

### **SB 1453 – Chapter 318 – technical appeals process: environment**

A technical appeals process is established in the Department of Environmental Quality (DEQ) for a written interim decision, which is a technical decision under the water Quality assurance revolving fund (WQARF).

Specifically, it covers a request to rescore a registry site or a determination of a no further action, a decision relating to adjustment of a registry site boundary or review of a work plan.

- DEQ is required to make a written interim decision within statutory or regulatory timeframes or within 90 business days if not otherwise specified. The timeframe may be extended by agreement of the parties. Failure to issue a written interim decision within those timeframes is a basis for an informal appeal.
- A person who has an informal appeal right and who disagrees with a written interim decision or who objects to the lack of one, has 30 days to file a notice of disagreement.
- DEQ has 30 days to schedule a meeting after receipt of the request.
- DEQ shall issue a final written decision within 45 days after receipt of the notice or within 15 days of the conclusion of the meeting, whichever is later. If DEQ does not issue a final written decision, the interim decision becomes final.
- Within 10 days after receipt of the final decision the person may submit a written request for professional dispute resolution. The qualified professional, who is authorized to hear the dispute, is defined as a person with a bachelor's degree in a scientific field and at least five years of experience in environmental investigation and remediation. (Registration is preferred.) The person cannot have been employed by the party, the firm assisting the party or DEQ for a year prior to the date of the notice of disagreement and cannot have a direct or indirect pecuniary or proprietary interest in the matter.

- The person who requests the dispute shall pay the full cost of the services provided by the qualified professional. The payment is deposited in a technical appeals program fund. The fund may also receive legislative appropriations and is used to implement and administer the program.
- Within 20 days of selection of the qualified professional, the person who requested the dispute resolution must submit a written statement describing the dispute, their proposed resolution and any supporting documentation.
- DEQ has 45 days to respond in writing to that submittal.
- The professional shall review the submittals and recommend resolution to the Director within 30 days after receipt of the agency's response. The recommendation of the qualified professional cannot relate to an interpretation of law or policy except policy may be interpreted to the extent necessary to review technical issues. A meeting may be requested by any of the involved parties prior to issuance of that recommended resolution.
- Within 45 days after receiving the professional's recommendation the Director shall select one or a combination of the proposed resolutions and shall issue a written resolution to the person and the professional detailing the reasons for the decision.
- The time for compliance is suspended (that is the subject of the notice of disagreement) until the date of the Department's final decision and any dispute resolutions or other appeals are concluded. The time for compliance is not tolled for a person who is subject to an administrative or judicial order or

judgment or decree for the site that is the subject of the disagreement.

### **SB 1454 – Chapter 225 – voluntary remediation program**

The law establishes a voluntary remediation program under the Department of Environmental Quality (DEQ) and also makes modifications in the remediation standards.

#### **VOLUNTARY REMEDIATION PROGRAM (VRP)**

##### ***Activities not included***

- Hazardous waste corrective actions or closures.
- Underground storage tanks (UST) corrective actions unless the person has waived the right to state assurance fund (SAF) reimbursement.
- Remediations required by a written agreement between DEQ and the applicant, judicial agreements or decrees or an administrative order.
- Remediation in an already filed judicial complaint before the effective date of the program.
- Remediation at a site listed on the water quality assurance revolving fund (WQARF) registry. (The WQARF voluntary remediation statute is repealed and rewritten to pertain to sites on the WQARF registry if work will be conducted pursuant to the remedial action rules. There may be a suspension of any DEQ remedial action, which shall be specifically stated in the agreement. DEQ may require reimbursement for reasonable and necessary costs for the review and oversight of the work.)

***Application requirements include***

- Description of location, boundaries and site characterization.
- Work to be performed.
- Fee (non refundable, established by rule).
- Agreement for DEQ site access, reimbursement of agency costs for review and oversight, work plan performance, periodic progress meetings.

***Application review and approval***

- The agency shall promptly review the application and shall be deemed complete unless DEQ notifies the applicant within 60 days the application is incomplete or has been denied.
- The applicant shall submit a work plan within a reasonable time.

***Work plans (requirements may be waived)***

- Site characterization completed reports or a plan and schedule.
- Remediation plan and schedule.
- Schedule for progress reports.
- Community involvement.
- Institutional or engineering controls to control exposure to contaminants.
- Site monitoring.
- Permits and legal requirements.
- Financial capability of the applicant (if requested).

***Remediation levels***

Established in accordance with remedy selection rules unless:

- Soil standards are met for soil remediation.

- Landfill remediations or other facilities not subject to the soil rules do not exceed a specific cancer risk and hazard index.
- The source of contamination to a navigable water will not cause or contribute to an exceedance of a surface water quality standard; any discharges will comply with federal Clean Water Act 401 certifications.
- The source of contamination to an aquifer will not cause or contribute to an exceedance of aquifer water quality standards.

***Community involvement requirements***

- There must be a plan to provide reasonable notice and information. WQARF remediations must be consistent with the remedy selection rules. For the four remediation levels listed above there shall be general public notice for field work to remove contaminants that may result in adverse impacts sufficient to reach those populations. Remediations that will take more than 180 days must include a general notice regarding the nature and progress of the action and a document repository. For remediation levels or controls for items above that include institutional or engineering controls there shall be notice and an opportunity for public comment for 45 days after the notice is published in a newspaper of general circulation, and, individual notice to water providers, well owners, local governments, adjacent residents and DWR.
- DEQ may require additional community involvement activities based on impacts to water supply, extent and toxicity of contamination, duration of work, level of public interest, other adverse impacts and likelihood of contaminant exposure to human receptors.

***Work plan review and approval***

DEQ shall approve a workplan if:

- Characterization will be completed in a timely manner (if not already done so).
- The proposed remediation is likely to achieve the remediation levels or controls listed above.
- The community involvement plan meets the statutory requirements listed above.
- The work to be performed complies with any applicable corrective or remedial action requirements of any applicable permit.
- It is consistent with the groundwater management act.

DEQ may deny a work plan: (1) if the applicant fails or refuses to correct deficiencies or make modifications required for approval; (2) if it would interfere with or substantially increase the cost of a DEQ WQARF remedial action; or, (3) if the applicant is not financially capable of conducting the work proposed in the work plan. DEQ may inspect sites and require reporting.

After approval, DEQ shall not take any action against the applicant who has been suspended unless the applicant notifies the agency it is withdrawing from the program or the Department terminates participation.

Approval of an application that includes withdrawal of groundwater qualifies the applicant for remediated groundwater incentives in the active management area (AMA) plan only if the remedial action is designed primarily to address a release of a contaminant that is a hazardous substance.

If the work plan is denied, the applicant may initiate dispute resolution.

***Termination and withdrawal***

An applicant may voluntarily withdraw from the program at any time.

The agency may terminate the application, after written notice and an opportunity to correct within a reasonable time, if the applicant:

- Fails to submit or comply with the work plan requirements.
- Fails to substantially comply with the time schedule.
- Fails to reimburse agency costs.
- Fails to modify the work plan at the agency's request.
- Submits false information or misrepresents information.

***Fees and costs***

There is a fee and certain reimbursable costs. DEQ may contract with an outside consultant to perform any technical review or oversee a work plan.

***Modification of work plan***

An applicant may propose a modification at any time by submitting an amended work plan. DEQ may request modification if it is determined it is necessary to meet the remediation levels or objectives. If the applicant objects, they may seek dispute resolution or withdraw from the program. If the applicant does neither, DEQ may terminate the participation.

***No further action***

The request shall include a report containing specific items. Some of the items include a description of specific contaminants, actions taken to achieve remediation levels, a description of soil and water treatment systems, and a demonstration that the



proposed land use will not compromise the integrity of engineering controls.

DEQ may request additional information and may conduct a site investigation.

The Director may grant an application for a no further action (NFA) if certain requirements are met. Some of the requirements include achievement of remediation levels, public participation requirements have been met, the remediation is consistent with the groundwater management act and will not interfere with or substantially increase the cost of a DEQ WQARF remedial action.

DEQ may issue a conditional NFA and may rescind or amend the NFA based on:

- Discovery of new information that would result in a potential denial.
- Information was inaccurate, misleading or incomplete.
- Reopening is necessary to respond to a release or the threat of a release of a contaminant that may present an imminent and substantial danger to the public.

#### ***Approval of remediations for cost recovery***

A person may submit a request for cost recovery in accordance with the remedial action rules.

#### ***Appeals and dispute resolution***

Only the denial or rescission of an NFA is an appealable agency action. Disputes may be resolved informally. If they cannot be resolved informally the applicant may submit a written statement to the agency. Scientific disputes may be submitted to a qualified professional, with the applicant paying the cost of the review.

#### ***Insurance coverage***

Coverage shall not be denied an insured solely on the basis of participation in the voluntary program or the WQARF remedial action program. This applies only to causes of action and civil actions filed after the effective date of this act.

#### ***Other***

- DEQ shall adopt rules for the program.
- The program terminates in 10 years.
- Licensing timeframes do not apply.
- The agency access provisions are substantially similar to those in the Administrative Procedures Act.

#### ***Voluntary Remediation Fund***

The fund revenues are from reimbursement for costs of review, fees, gifts, grants and donations and legislative appropriations.

Until July 1, 2004, not more than \$350,000 in any one fiscal year shall be transferred from WQARF.

DEQ shall prepare a report by December 1, 2002 on an evaluation of whether the fees and reimbursements are sufficient to sustain the program or whether some other source is necessary. If fees and reimbursements are not sufficient and another source is not obtained by July 1, 2004, DEQ shall no longer implement the program. If monies in the fund are inadequate to administer the program, the review of pending applications is suspended, no new applications will be accepted and the time for the review of pending applications is tolled.

#### **REMEDIATION STANDARDS**

The use of engineering controls (EC) and institutional controls (IC) is allowed under certain conditions for soil remediations and for remedial or corrective actions not covered

by the soil statute and rule (e.g. groundwater, a tailings pile or landfills). An EC is a remediation method such as a barrier or cap that is used to prevent or minimize exposure to contaminants. An IC is a legal or administrative tool to reduce the potential for exposure to contaminants.

An IC must include: maintenance requirements, DEQ written approval must be obtained in advance to cancel or modify the IC and DEQ has the right of access to verify maintenance. A fee is required and an annual written status report must be submitted to DEQ.

An EC must include: maintenance requirements, construction date and reason why it must remain in place. Changes require prior DEQ written approval and DEQ has the right of access to verify maintenance. A fee is required. A written inspection report must be submitted to DEQ. If the owner fails to repair or restore the EC the Agency may seek injunctive relief or perform the work itself and require reimbursement.

The voluntary environmental mitigation use restriction (VEMUR) is replaced by a declaration of environmental use restriction (DEUR). Both cover remediation to non-residential uses, but the latter also covers remediation where an EC or IC is used. The DEUR runs with and burdens the property and inures to the benefit of DEQ and the state.

The DEUR must limit by legal description where the EC or IC shall be maintained, contain the date the remediation was completed and a map and describe the environmental contaminants that were remediated. DEQ must provide a copy of the DEUR to the local jurisdiction with zoning and plan approval for the property.

DEQ may release a DEUR if the Director determines property has been remediated

without EC or IC. Release may also be appropriate if maintenance of the IC or EC is no longer necessary to protect the public health and environment.

There is an IC and EC fund established which consists of fees, cost recovery, appropriations and gifts, grants and donations.

### **SB 1461 – chapter 117 – proportionate liability: environment**

The law addresses proportional liability in the Underground Storage Tanks (UST) program in DEQ.

*Liability (same as Laws 2000, Chapter 131, SB 1452)*

- In any action brought (compliance orders and civil penalties) in the UST program, the state bears the burden of establishing an owner or operator has violated statutory requirements. An owner or operator is responsible only for their contribution to any contamination that creates liability.
- No party bears the burden of proving any person's contributions to contamination in any informal or formal appeals under the following statutory provisions: multiple responsible parties in a corrective action, allocation of liability in a cost recovery and informal appeals.
- The owner or operator is responsible for corrective action only to the extent of their release if there is prima facie evidence that there were other contributors (identified or not identified), not at the owner's or operator's facility, who contributed to the contamination.
- The owner or operator is not required to identify or prove the contribution of any

other persons in order to limit their own liability, but they are required to provide information about other contributors (if known).

- If it cannot be determined or there cannot be an allocation by a preponderance of evidence who contributed to the contamination, liability that is not established to be the owner's or operator's cannot be allocated to that person.
- DEQ may issue a written interim decision or determination compelling owners or operators to allocate liability if the owners and operators agree there is no one else liable for the contamination or the contamination is from a single UST facility.
- The December 31, 1999 date for DEQ adoption of risk based corrective action rules was removed.

### **SB 1480 – Chapter 194 – regulatory reform: counties**

The law parallels county air pollution control programs (Maricopa, Pima, Pinal) to many of the requirements of the state Administrative Procedures Act (APA) in Title 41, Chapter 6. Those provisions that are modeled after the APA and placed into the Department of Environmental Quality (DEQ) statutes include: definitions, fees, inspections, notice of proposed rule or ordinances, public participation, substantive policy statements, permitting timeframes, reporting, waivers, declaratory judgements, judicial review and violations.

The provisions are effective from and after July 1, 2001 or the date on which DEQ adopts an air quality rule relating to fees for processing individual permits for federal Clean Air Act Title V and non Title V sources, whichever is later.

The regulatory bill of rights is similar with the addition of the following:

1. The control officer identifies the legal authority for each condition in an air quality permit.
2. A control officer may be requested to waive overly burdensome permit procedures and requirements for sources that are not required to obtain a Title V permit.
3. There may be a judicial review of certain decisions.
4. There is the opportunity to enter into settlement agreements with the county to resolve compliance matters without the need for an order, court action or allegation or finding of violation.

Expedited rule or ordinance making also includes the following:

1. Covers rules or ordinances that are conforming changes to directly reflect federal or state law or rule. There may be an expedited rule or ordinance not subject to the process listed above if: (1) the rule is substantially identical; (2) the control officer makes a written finding to that effect; (3) fees do not exceed certain limits (equal to or less than state fee or if there is no state fee, reasonable costs).
2. The control officer shall file notice with the Secretary of State for publication. The county shall accept public comments on the rule or ordinance for 30 days.

#### ***Administrative procedure***

A person whose rights were determined by an appealable agency action or who may be adversely affected and who exercised a right to comment, may appeal to the county air pollution hearing board if the grounds for the appeal are limited to the issues raised in their comments.

A notice of administrative appeal shall be filed with the hearing board within 30 days after the county serves notice of the appealable agency action. The hearing board shall conduct a public hearing within 30 days.

Appeals may be heard by an administrative law judge if the control officer and the appealing party agree or if the hearing board is unavailable.

#### ***Waiver***

A person may waive in writing any right conferred under these procedures.

#### ***Permits; fees***

The board of supervisors may adopt a rule or ordinance that establishes less burdensome permit procedures and requirements that are not required under Title V of the federal Clean Air Act. The control officer may waive requirements (until the effective date of a rule or ordinance adopted by the board of supervisors) not appropriate for non-Title V sources.

#### ***Declaratory judgment***

A person may obtain a judicial declaration of the validity or the construction of a rule or ordinance by filing an action for declaratory relief in superior court.

#### ***Judicial review of appealable agency actions***

A person may bring a civil action in superior court against a control officer alleging that the control officer has failed to act in a timely manner.

A person whose rights or duties were determined by an appealable agency action or any person who will be adversely affected by an appealable agency action may bring a civil action in superior court without prior review by the hearing board or ALJ. The grounds for actions are specifically stated: not supported by substantial evidence, contrary to law, arbitrary and capricious, or abuse of discretion.

The above process does not apply to certain decisions or actions that must be appealed to the hearing board. Judicial review of those decisions or actions is pursuant to the existing statutory authority.

Superior court decisions may be appealed to the court of appeals.

#### ***Violations***

A control officer may enter into an order of abatement by consent and may accept monetary payments as part of negotiated terms of an order or abatement by consent. The terms of such an order of abatement by consent are to be determined by agreement of the parties.

**Committee Chairman:** Representative Karen Johnson  
**Research Analyst:** Elizabeth Hatch

### **List of Bills**

\* Strike-everything amendment

Bill	Chapter	Short Title	Page
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HB 2239	325	residential utility consumer office; continuation.....	99
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### **HB 2087 – Chapter 186 – automobile theft authority; appropriation**

HB 2087 transfers \$150,000 from the vehicle inspection and title enforcement fund to the Automobile Theft Authority and increases the membership of the Authority.

### **HB 2095 – Chapter 376 – \*state preemption; firearms**

HB 2095 prohibits a political subdivision of the state from enacting any ordinance, rule or tax relating to firearms, ammunition or any firearms or ammunition components except as outlined by statute.

#### ***Provisions***

- Prohibits political subdivisions of the state except for school district governing boards from a) enacting any ordinance, rule or tax relating to the transportation, possession, carrying, sale or use of firearms or ammunition or any firearm or ammunition components in this state, b) requiring licensing or registration of ammunition or any firearm or ammunition components, and c) prohibiting the ownership, purchase, sale or transfer of ammunition or any firearm or ammunition components.
- Allows a political subdivision of this state to enact and enforce any ordinance or rule a) pursuant to state law, b) to implement state law or c) relating to any of the following 1) the imposition of a privilege or use tax on retail sale, lease or rental of firearms, ammunition and components, 2) prohibiting a minor unaccompanied by specified persons from knowingly possessing or carrying on their person, within their immediate control or in any means of transportation a firearm in any

place that is open to the public or on any street or highway or on any private property except property owned by the minor or the minor's parent, grandparent or guardian, 3) the use of land and structures for business relating to firearms or ammunition and components thereof or a shooting range in the same manner as other commercial businesses, 4) regulating employees or independent contractors of the political subdivision who are acting within the course and scope of their employment, 5) possession of firearms in parks and preserves as outlined by statute and 6) limiting or prohibiting the discharge of firearms in parks and preserves with certain exceptions outlined by statute.

- Classifies a violation of any ordinance of a political subdivision limiting the discharge of a firearm in a park or preserve as a Class 2 misdemeanor, unless the political subdivision designates the violation as a lesser classification by ordinance.
- Expands the crime of committing misconduct with a weapon to include entering specified places while carrying a deadly weapon after a reasonable request by the operator, the establishment or the sponsor of the event to remove the weapon and place it in the custody of the operator or sponsor.
- Contains an intent clause, which stipulates that this legislation is to clarify existing law relating to the state's preemption of firearm regulation. Additionally, the Legislature intends to limit the ability of any political subdivision of this state to regulate firearms and ammunition.
- Stipulates that this act applies to any ordinance enacted before or after the effective date of this act.

**HB 2131 – Chapter 14 –  
gambling: minimum age**

HB 2131 increases the minimum age for gambling from 18 to 21 years of age beginning June 1, 2003.

**HB 2239 – Chapter 325 –  
residential utility consumer  
office: continuation**

HB 2239 continues the Residential Utility Consumer Office (RUCO) for 10 years until

July 1, 2010. The bill contains a July 1, 2000 retroactive effective date.

**HB 2416 – Chapter 237 – county  
redistricting**

HB 2416 requires counties to redistrict every 10 years during the first regularly scheduled meeting in June following the decennial census. Additionally, the bill stipulates that the boundaries and limits of each district be equal or with not more than 10 per cent difference in population.

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**Committee Chairman:** Representative Michael Gardner  
**Research Analyst:** Tami Stowe

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\* Strike-everything amendment  
 [E] Emergency clause

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**HB 2139 – Chapter 203 – landlord tenant utility charges**

HB 2139 allows a landlord to charge tenants separately for utilities such as gas, water, wastewater, solid waste removal and electricity by installing a submetering system or using a ratio billing system and specifies the billing requirements for such systems. HB 2139 also requires the rental agreement to list the utilities charged separately, the amount of the administrative fee charged and the ability of the landlord to switch to a submetering or ratio utility billing system during the rental period if the tenant is given a 90-day notice.

***Provisions***

- States that the Department of Environmental Quality shall not adopt water regulation rules more stringent than federal law when regulating apartment communities as public water systems.
- States that the Department cannot regulate an apartment community as a public water system just because they use a submetering system or ratio billing system.
- Strikes current language that states that if a landlord buys utilities from a public service corporation and charges tenants separately, that the landlord may not charge tenants more than the landlord was charged for the utilities. Allows the landlord to charge an administrative fee.
- States that if a tenant wishes to dispute charges made by the landlord, that the tenant must first complain in writing to the landlord, then may file a civil complaint in justice court if the dispute is not resolved.

**HB 2238 – Chapter 66 – ASRS: benefit increases**

HB 2238 allows any retiree or beneficiary who has been receiving benefits by July 31 of the previous calendar year to receive a benefit increase regardless of age.

**HB 2242 – Chapter 210 – \*electronic notarization act; fee**

HB 2242 removes the fees set in statute for notarial acts, empowers the Secretary of State (SOS) to set notaries public fees in rule and sets the bond amount notaries must have on file.

***Provisions***

- Establishes the electronic notary act in which an electronic notary can notarize electronic documents that have the same effect as a paper notary and sets forth the regulations and procedures of electronic notaries.
- Allows a notary whose fees have been paid by the state or a political subdivision to perform notarial acts for the convenience of public employees as well as perform notarial acts in the course of the notary's employment.

**HB 2245 – Chapter 32 – reviser's technical corrections; 2000**

HB 2245 corrects defective and conflicting dispositions of statutory text.

**HB 2352 – Chapter 8 – elections: youth in voting booth**

HB 2352 allows minors to accompany voters into polling places.

**HB 2623 – Chapter 275 – vehicle weight violations; penalties**

HB 2623 reduces the penalty for the first violation of vehicle weight statutes from a misdemeanor to a civil penalty. The bill also reduces the misdemeanor charges for subsequent weight violations and clarifies that a driver may shift a load to comply with axle weight limits.

***Provisions***

In the sections on fees and traffic and vehicle regulation, the following provisions apply:

- Removes criminal charges from the first excess weight violation.
- Increases the civil penalty charges to one fine for any offense ranging from \$1.00 to \$1,400 + \$100 per 1,000 lbs. in excess weight.
- Reduces the penalty for a second violation from a Class 2 misdemeanor to a Class 3 misdemeanor and reduces the penalty for a third violation from a Class 1 misdemeanor to a Class 2 misdemeanor.
- States that if a driver shifts a load to comply with axle weight limits but cannot comply, that the driver is subject to penalties.

**SB 1025 – Chapter 300 – joint legislative budget committee; continuation**

SB 1025 extends the Joint Legislative Budget Committee to July 1, 2010, contains a legislative purpose section and provides a retroactive effective date of July 1, 2000.

**SB 1029 – Chapter 329 – PSPRS; membership; small fire districts**

SB 1029 reduces the number of full-time fire fighters that must be employed by a fire district in order to be eligible to participate in PSPRS from *five* to *three*. The bill also requires fire districts with less than 4,000 people to have a local board and prescribes the make-up of the board.

**SB 1045 – Chapter 278 – uniform state laws commission; continuation**

SB 1045 extends the Arizona Commission on Uniform State Laws to July 1, 2010, contains a legislative purpose section and provides a retroactive effective date of July 1, 2000.

**SB 1056 – Chapter 53 [E] – electric power competition**

SB 1056 is an emergency measure that updates the statutes governing electric power competition and deregulation and focuses on the inclusion of cities and towns previously excluded from competition, services provided by public service corporations (PSCs) and public power entities (PPEs), electric cooperatives and taxation.

***Electric Cooperative Provisions***

- Updates the statutes governing electric cooperatives relating to their governing boards, board of directors and membership voting procedures.
- Allows two or more persons fulfilling the requirements for being a member to organize a generation and transmission (G&T) cooperative.

- Allows a G&T cooperative to create bylaws governing the amendment of its articles of incorporation.
- Allows the board of directors of a G&T cooperative to adopt, amend or repeal bylaws including the amendments to its articles of incorporation and allows members acting through their voting delegates to vote by proxy to adopt, amend or repeal bylaws at a meeting at which a quorum is present, rather than a majority.

#### ***Public Power Entities & Public Service Corporation Provisions***

- Eliminates the competition exemption from a city or town with a population of 75,000 persons or greater, effective December 31, 2001.
- Allows PPEs providing buy-through service to charge only for requested brokerage services and applicable non-bypassable charges.
- Extends the reporting date to the Joint Legislative Budget Committee (JLBC) for PPEs regarding the beginning effective date for the 10-year period of the rate reduction and the proposed apportionment of the rate reduction among their customer classes, from December 31, 1998 to December 31, 2000.
- Requires a PPE that is a city or town to reduce the price for bundled service for retail electric customers by an amount the city or town determines to be necessary to compete.
- Prohibits customer information, account information and related proprietary information from being released to third parties for commercial or law enforcement purposes unless waived in writing by the customer or by court order. Excludes PSCs from the requirement that they

adopt reasonable rules and procedures to ensure confidentiality.

- Eliminates the requirement that during initial construction of a residential structure, electric and natural gas facilities be installed to provide all subsequent residents the capability to choose between electricity and natural gas.
- Allows the parties to agree to not install facilities in a subdivision, to install service to any or to all residential structures or to install facilities to some but not all appliance applications.
- Allows a PPE or PSC to use funds paid through the PPEs or PSCs conduit or other reimbursement program as a credit against payment of the reimbursement of costs associated with providing a trench for the installation of utility facilities into a residential structure.
- States that a city, town or county is not required to inspect or enforce a PPE for the PPE to be in compliance.
- Exempts the PPE or PSC, homeowner, homebuilder or contractor from any responsibility or liability relating to alterations to the number of initially installed facilities, following the initial installation.
- Requires every PSC to allow every electricity supplier and self-generator of electricity access to electric transmission service and electric distribution service under rates and terms and conditions of service that are just and reasonable as determined and approved by regulatory agencies having jurisdiction over electric distribution and transmission service. States that in accordance with the Federal Power Act, access of a PPE is not limited to the transmission services of a PSC.

*Miscellaneous*

- Extends the ability of counties to impose use taxes on the consumption of electricity for county taxing jurisdictions (i.e. jail districts, transportation districts, and capital project districts).
- Increases the amount of assistance available to eligible individuals from the utility assistance fund from \$600 to \$900.
- Establishes a retroactive effective date for all provisions relating to consumer choice of August 21, 1998.

**SB 1057 – Chapter 19 –  
department of weights and  
measures**

SB 1057 updates the statutes relating to the functions and duties of the Department of Weights and Measures.

*Provisions*

- Requires a license for a commercial device to be posted at the licensed business location, a public weighmaster license to be posted at the licensed scale site and the registered service agency to be posted at the licensed business location so that the Department has access to the licenses during normal business hours.
- Requires a commercial livestock scale that is used for 1-29 days in a calendar year to be certified and a commercial livestock scale that is used 30 or more days in a calendar year to be licensed. Eliminates the fee structure for commercial livestock scales based on the actual cost of the service.
- Allows the Department to certify a commercial or noncommercial livestock scale or a portable batch plant at the request of an owner or user and

establishes that the certification fee should be set in rule.

- Changes the penalty for failing to pay a license, permit or certification fee from the entire amount of the fee to 20 per cent of the fee. An additional 20 per cent fee is assessed on the second month following the due date of the fee. The license, permit or certification must be cancelled if the fee is late for three months.
- Requires the Department to issue a public weighmaster license for 12 calendar months. The licenses for public weighmasters expire on the first day of the month and year indicated on the license. Requires limited weighmasters and registered service agencies, while performing their duties, to have their respective licenses in their possession.
- Requires a registered service agency to use forms and procedures proscribed by the Department in the performance of its duties and to keep a legible copy of each form used for a period set in rule. Copies of the forms must be available during normal business hours for inspection by the Department.
- Provides the Department with the option of conducting inspections of instruments, standards or devices that the Department has exempted from normal licensing requirements and requires the Department to charge a fee for this inspection.
- Eliminates the requirement that a retail seller or seller's agent repair or replace the hold-open latch of a motor fuel dispenser within 48 hours after notification by the inspector that the latch is inoperative.
- Requires the director, director's agent or inspector to issue stop-use and hold orders with respect to vapor recovery systems or

parts of vapor recovery systems found to be in violation.

- Creates a new weight class and license fee for weighing devices by reducing the maximum for the 7,501-60,000 pound capacity class to 20,000 and reduces the \$120 license fee to \$80. Prescribes a \$120 license fee for a device with a 20,001-60,000 pound capacity.

### **SB 1073 – Chapter 21 – state personnel board**

SB 1073 revises requirements of the state Personnel Board.

#### ***Provisions***

- Stipulates that the Board must provide an employee and the employing agency with a meeting notice at least 10 days prior to the meeting.
- States that either an employee or the employing agency may request that a Board appeal hearing be transcribed. However, the transcription must be performed by an entity other than the Board and the costs of transcription are to be paid by the requesting party.
- Changes the time frame that the Board must enter its decision of a hearing from 30 to 45 days.
- Requires that a *certified* copy of the decision of a hearing be mailed to the employee and the employing agency, rather than a *registered* copy.

### **SB 1075 – Chapter 280 – department of administration: conforming changes**

SB 1075 makes several changes regarding the Arizona Department of Administration (DOA).

#### ***Provisions***

- Makes the accumulated sick leave program retroactive to July 1, 1998 to include employees of the Agriculture Department at the University of Arizona.
- Clarifies that the state employee private transportation subsidy is only available for private bus transportation service.
- Allows state employees in Pima County to participate in the state employee bus subsidy program and increases the subsidy from 50 per cent to 100 per cent.
- Repeals funds that are either currently inactive or will be inactive by the end of FY 2000-01.
- Eliminates the requirement that the Department of Economic Security (DES) enter into a risk sharing procurement process to establish a contract for a computer-based technology system, in order to determine eligibility for welfare programs and support welfare reform process and policy.
- Delays the elimination of the technology system fund.
- Eliminates the transfer of funds to the technology system fund in FY 1999-00 and 2000-01.
- Changes the requirement that the DES Director, upon contract award as mentioned above, file a report at the end of the contract term instead of a report detailing all aspects of the welfare

eligibility technology system by December 1 of each year.

- States that persons placed in level 3 or 4 of the Arizona Works Program and persons placed in on-the-job training, as well as on-the-job evaluation, under DES's Temporary Assistance for Needy Families Program are considered employees for the purposes of state workers' compensation laws.
- Makes technical corrections to the monies authorized for the FY 2000 and FY 2001 classification maintenance reviews.
- Requires DOA to meet graduated minimum requirements for the use of renewable energy on the Governmental Mall if the cost is within five per cent of traditional power and defines renewable energy.
- Eliminates the requirement that a state job applicant be an Arizona resident.
- States that budget units shall not appropriate monies for transportation or travel expenses for bringing any person into this state for an interview for prospective employment, unless monies are specifically appropriated to do so.
- Allows budget units to reimburse current employees for management initiated geographical relocation expenses of more than 50 miles from an employee's current work site.
- Allows the transfer of up to six months of donated annual leave between agencies for family members only and clarifies who is considered a family member.
- Adds an additional method by which preference may be awarded to those applying for state or political subdivision employment.

- Adds those who served in the United States public health service to those who are to be given preference when applying for state or political subdivision employment.
- Authorizes the DOA Director to establish minimum original probationary periods.
- States that in addition to using monies in the state employee suggestion program award fund for advertising and promoting the fund, the DOA Director may use monies for the administration of the fund as well.
- Removes the delayed effective date for Laws 1998, Chapter 212, section 4.

### **SB 1082 – Chapter 39 – fire fighters; cancer insurance program**

SB 1082 allows the Public Safety Personnel Retirement System Fund Manager to self-insure the Fire Fighter Cancer Insurance Policy Program. SB 1082 gives the Fund Manager the option of choosing to self-insure, but does not require that the Program be self-insured. Ensures that if the Program is self-insured that the premiums maintain a tax-exempt status.

### **SB 1087 – Chapter 368 – state documents**

SB 1087 allows the Department of Library, Archives and Public Records (DLAPR) to enter into agreements with other county, city, regional, state, university, college or out-of-state research libraries to establish a depository system and an exchange program. Allows DLAPR to enter into agreements with other libraries in Arizona to keep copies of all public records.

*Provisions*

- Allows DLAPR to provide access to current Arizona Revised Statutes to each public or court library electronically. The director may provide certified copies of statutes to interested parties upon request.
- Requires DLAPR to adopt rules for the acquisition, maintenance, access and preservation of state publications.
- Requires DLAPR to adopt rules, upon consultation with other appropriate agencies, for the description of state publications.

**SB 1094 – Chapter 307 – PSPRS: reemployment of retired members**

SB 1094 prohibits a retiree of the Public Safety Personnel Retirement System (PSPRS), who returns to work in the same position and for the same employer from which the member retired, from collecting a PSPRS pension until such employment ceases and clarifies that no credited service or contributions shall be made during the reemployment period.

**SB 1109 – Chapter 54 – electric deregulation; study committee: extension**

SB 1109 extends the Electric Deregulation Study Committee to December 31, 2002 and eliminates the requirement that one of the members be the chairman of the Commerce and Economic Development Committee.

**SB 1127 – Chapter 126 – EORP; PSPRS; CORP; IRS requirements**

SB 1127 ensures that the Elected Officials Retirement Plan (EORP), Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP) remain tax-exempt. The bill also makes several clarifying changes to the EORP statutes.

*Provisions*

- Allows Superior Court clerks to transfer credited monies to EORP.
- Establishes a penalty (10 per cent compounded annually) for late EORP employer contributions and clarifies the employer contribution deadline.
- Allows the Fund Manager to require Superior Court clerks and treasurers to transfer monies directly into a surplus account entitled the Qualified Governmental Excess Benefit Arrangement.
- Places a two per cent floor on employer contributions for all three plans.
- States it is the Legislature's intent that the EORP, CORP and PSPRS retirement plans are whole plans and that when a member retires, the member receives benefits as they exist upon retirement. Contains retroactivity dates to the inception of the three plans.

**SB 1129 – Chapter 231 – retirement; tax equity benefit increases**

SB 1129 grants a two per cent tax equity benefit increase for Public Safety Personnel Retirement System and Elected Official's Retirement Plan members employed before September 15, 1989 and retiring after



November 1, 1996, but before November 1, 2000 and repeals the tax benefit on January 1, 2001. SB 1129 also states that the cost of the benefit increase is payable from applicable employer cost.

### **SB 1190 – Chapter 128 – regents: second student member**

SB 1190 designates a second student to serve as a member of the Arizona Board of Regents with both student members serving two-year, staggered terms.

#### ***Provisions***

- States that a student member in the first year of their term may exercise all rights and privileges of a board member, except voting, which they may do the second year of their term.
- Clarifies that a student member may serve the remainder of the term if the student graduates with less than seven months remaining in the second year of the term.
- Does not extend the term of the current student member.

### **SB 1206 – Chapter 70 – Cesar Chavez day**

SB 1206 establishes Dr. Cesar Estrada Chavez Day on March 31 of each year as a non-legal holiday.

### **SB 1259 – Chapter 311 – state agencies: credit card acceptance**

SB 1259 allows all state agencies to accept credit cards or charge cards for payments due to agencies and prescribes agency reporting requirements. Requires the state agency to deduct any fees from the amount before depositing it into the appropriate fund. The

actual amount deposited in the fund is considered the full deposit required by statute.

### **SB 1406 – Chapter 316 – procurement reform**

SB 1406 makes changes to the state's procurement process.

#### ***Provisions***

- Exempts the State Land Department from procurement laws for purchases and contracts pertaining to wild land fire suppression and pre-positioning equipment resources and other activities related to combating wild land fires or other unplanned risk activities.
- Changes the invitation for bids posting requirements, removes the general circulation requirement and allows invitation for bids to be posted on the Internet, in addition to the printed notice.
- States that bids shall be evaluated based on requirements in the invitation for bids, including criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, suitability for a particular purpose and the weighting of identified criteria. States that evaluation criteria shall not be used for construction.
- States that transaction privilege taxes or use taxes are never a factor in determining the lowest bidder, even if one bidder is not subject to these taxes.
- Increases the dollar amount that necessitates a formal bid to be followed from \$25,000 to \$35,000.
- Requires a person who submits cost or pricing data to keep their records for five years and allows the state to audit those records for up to five years.

- Allows a purchasing agency to enter into a public-private contract to finance the technology needs of the agency. The agency may request information and proposals from the private company. The contract must include compensation guidelines based on performance standards and implementation of the technology program.\*
- States that funding for services under a contract is contingent upon compensation guidelines based on performance standards and implementation of the technology program.\* The payment for services by the agency is not subject to legislative appropriation.
- Requires that a proposal submitted to the agency include specific performance improvements and measurement approaches to measure the value provided by the company. The agency must include an assessment of the proposed value provided by the company as a part of the agency's evaluation criteria.\*
- Requires an agency entering into a public-private contract to consult with the Joint Legislative Budget Committee (JLBC) staff prior to the contract being awarded. States that if the contract is determined to have a significant negative impact on the agency, that staff must refer their findings to the JLBC.\*
- Increases the dollar amount that allows a building, structure, addition or alteration of a public facility to be constructed by employees or force account from \$10,000 to \$20,000.
- Establishes a 17-member study committee pertaining to procurement issues.

*\*Indicates provisions that are also contained in SB 1443.*

## **SB 1443 – Chapter 115 – \*procurement code amendments**

SB 1443 makes changes to the procurement code relating to partnerships between public companies and state agencies for technology programs.

*The provisions of this bill are summarized in the explanation of the asterisked provisions in SB 1406.*

## **SB 1447 – Chapter 317 – emergency management assistance compact**

SB 1447 creates the emergency management assistance compact (EMAC).

### ***Provisions***

- Authorizes the Governor to enter into a compact with any other state on behalf of Arizona. The purpose of the compact is to provide for mutual assistance between states entering into the compact in managing any emergency or disaster declared by the Governor of the affected state.
- Lists the responsibilities of party states, including determining potential hazards and reviewing other states' plans.
- Stipulates that the provisions of the compact apply only to requests for assistance, verbal or written, made by and directed to authorized representatives of a party state.
- Lists the information that must be included in the request for assistance, including which services are needed and the amount and type of personnel required.
- Requires frequent consultation between state officials who assign emergency

management responsibilities, other representatives of party states affected and the federal government.

- Lists the limitations of the compact.
- States that entry into the compact does not preclude party states from entering into supplementary agreements with other states or maintaining existing agreements.
- Requires each party state to provide for compensation and death benefits to injured members or representatives of deceased members of the emergency forces of that state in the same manner as if the injury or death occurred within their own state.
- Requires party states receiving aid to reimburse party states rendering aid for any loss, damage to or expense incurred in the operation of equipment unless the aiding state donated the equipment and services or the party state involved enters into a supplementary agreement establishing a different allocation of costs.

- Lists evacuation procedures and responsibilities of party states.
- States that the compact becomes effective upon enactment.
- Allows a state to withdraw from the compact by repealing the statute. The withdrawal takes effect 30 days after the Governor of the withdrawing state has given notice to the Governors of all other states included in the compact.
- Requires that authenticated copies of the compact and supplementary agreements, upon approval, be deposited with each party state and with the Federal Emergency Management Agency and any other appropriate federal agencies.
- States that if any provision of the compact is declared unconstitutional or the applicability is invalid, the constitutionality and validity of the remainder of the compact shall not be affected.

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**Committee Chairman:** Representative Dean Cooley  
**Research Analyst:** Elizabeth Hatch

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### **HB 2182 – Chapter 169 – stored water; recovery wells**

HB 2182 requires the recovery of effluent stored in a managed underground storage facility (within the area of impact within an active management area) to meet certain criteria.

The city, town, private water company or irrigation district where the proposed well is located shall be notified by the person recovering the water. The entity can offer to recover comparable quality water and the person intending to recover the water shall consider the offer and accept the best offer. This requirement would not apply to already constructed wells owned by those recovering the water.

### **HB 2209 – Chapter 59 – Arizona criminal justice commission; members**

HB 2209 allows the members of the Arizona Criminal Justice Commission to use designees and allows the Commission to use grants for the purpose of enhancing efforts to investigate, prosecute and adjudicate serious offenses. Additionally, the bill stipulates that if a victim receives monies from the victim compensation and assistance fund, the fund is subrogated to the rights of the victim against the third party to the extent of the monies the victim receives from the fund.

### **HB 2261 – Chapter 47 – ombudsman-citizens aide office; continuation**

HB 2261 continues the Office of the Ombudsman-Citizen Aide for five years until July 1, 2005 and allows the Ombudsman to issue subpoenas if necessary to compel the

attendance and testimony of witnesses or to receive books, records, documents or other evidence. The bill contains a retroactive effective date of July 1, 2000.

### **HB 2264 – Chapter 211 – \*unified school districts**

HB 2264 makes changes to the statutes relating to school district unification.

#### ***Provisions***

- Allows one or more common school districts and a high school district with coterminous *or overlapping* boundaries to unify. Unification of a common school district and a high school district is not authorized if any of the high school district facilities owned by the new unified district are not located within its boundaries.
- Stipulates that only unifying school districts, by resolution, shall approve the formation of a unified district.
- States that, upon certification of approval from the county school superintendent, the formation of a unified district shall become effective on July 1 of the next fiscal year.
- Specifies that the unified district boundaries shall be composed of the districts that unify.
- Declares that beginning January 1 of the first general election following formation, the governing board of a unified district shall have five members.
- Allows the new unified district to appoint a non-voting member who is a resident of the remaining common school district to represent the interests of the high school pupils who reside in the remaining

common school district and attend the unified district.

- Requires the unified district, for the first year of operation, to prepare a consolidated budget based on the student counts from the school districts comprising the unified district.
- Declares that pupil counts shall not be included for the purpose of making an adjustment for rapid decline in student count if the pupils are charged by the unified district for tuition purposes back to the remaining common school district.
- Requires the governing board of the unified district to prepare policies, curricula and a budget.
- States that any existing override authorization shall continue after unification until expiration. The unified district may request override authorization based upon the revenue control limit of the new school district. An approved request for override authorization for the unified district replaces any existing override for the budget year. If a remaining common school district had override authorization, the authorization continues in the same manner as before the formation of the unified district.
- Declares that high school pupils who reside in a common school district that was previously located within the boundaries of the former high school district shall be admitted into the unified district. The common school district in which the pupils reside shall pay tuition for these pupils to the unified district.
- Declares that bonding authorization and limitations continue for the remaining common school district in the same manner as before unification.

- States that all assets and liabilities of the unifying school districts are transferred and assumed by the new unified district, including any bonded indebtedness.
- Clarifies that residents of common school districts not unifying shall not vote nor be fiscally responsible for bonds or override elections of the unified district.

### **HB 2322 – Chapter 396 – commerce department; energy efficiency code**

HB2322 requires the Department of Commerce Energy Office to draft an energy efficiency code.

#### ***Provisions***

- Requires the Office to develop an energy efficiency code, which will be voluntary, incentive based and must significantly reduce energy usage.
- Requires the code to be initially based on the international energy conservation code for residential construction and the American society of heating and refrigeration engineers energy conservation code for commercial construction.
- Requires the Department to work with representatives of the construction industry and the housing industry to combine the energy conservation code and the draft energy efficiency code into a single document which shall be known as the AZ Energy Conservation Code.
- Stipulates that the Office shall submit a report on the draft of an energy efficiency code by December 1, 2000.
- Repeals this act after December 31, 2000.



**HB 2340 – Chapter 135 [E] – procurement; professional and construction services**

HB 2340 is an emergency measure that allows the use of a number of alternative contracting methods for procurement agents and for public buildings, including architect services, construction-manager-at-risk construction services, design-build construction services, engineer services, job-order contracting construction services and landscape architect services.

***Provisions***

- Outlines the requirements for the use of specified construction services.
- Allows school districts to procure construction services through construction-manager-at-risk, design-build and job-order-contracting construction services.
- Allows the Arizona Department of Transportation (ADOT) to utilize time as a factor in contracting.
- Allows ADOT to utilize two design-build contracts per year through July 1, 2007 for projects that cost at least \$40 million.
- Establishes procedures and requirements for the procurement of architect services, assayer services, construction-manager-at-risk construction services, design-build construction services, engineer services, job-order-contracting construction services, geologist services, landscape architect services and land surveying services.
- Authorizes, retroactively, the Arizona Board of Regents to procure construction for the University of Arizona Student Union/Bookstore Replacement Project.

- Requires any state entity that uses job-order-contracting, construction-manager-at-risk or design-build to procure construction services in a calendar year, to submit a report on the total benefits of utilizing alternative methods of construction.

**HB 2351 – Chapter 153 – ignition interlock devices**

HB 2351 increases the amount of time a person may be required to use a certified ignition interlock device (IID).

***Provisions***

- Requires the Motor Vehicle Division (MVD) to require a person convicted of a second driving under the influence (DUI) within 60 months, to install a certified IID for one year upon the conclusion of the person's license suspension or revocation. However, the court may order the person to equip the vehicle with an IID for longer than one year.
- Requires the court to order the MVD to require a person convicted of an extreme DUI to equip the person's vehicle with a certified IID for one year upon the conclusion of the person's license suspension or revocation. However, the court may order the person to equip the vehicle with an IID for longer than one year.
- Allows the court to require the installation of a certified IID for longer than one year for a second extreme DUI within 60 months.
- Requires the court to order the installation of a certified IID for one year for a person convicted of aggravated DUI.

- Transfers from the courts to MVD the responsibility of requiring a person to install an IID.
- Allows MVD to suspend or revoke a person's license or require a licensee to complete traffic school if convicted of a violation of the ignition interlock statutes.
- Specifies that this act is effective from and after September 30, 2000.
- Requires the following reports be submitted to the Governor's Office of Highway Safety by September 1 of each year regarding the previous fiscal year:
  1. The number of DUI complaints issued reported by the Administrative Office of the Courts (AOC).
  2. The number of IIDs ordered to be installed reported by MVD.
  3. The number of DUI cases dismissed reported by the county attorneys.
- Requires the Governor's Office of Highway Safety to report by October 1 of each year, to the Speaker of the House and to the President of the Senate, the information it receives from the AOC, MVD and county attorneys regarding DUIs and IIDs.

### **HB 2363 – Chapter 398 – \*education omnibus**

HB 2363 allows the Superintendent of Public Instruction to determine which grade levels shall be administered the nationally standardized norm-referenced achievement test, repeals a portion of session law regarding Dropout Prevention Program funding and restructures session law relating to an education funding trigger.

### ***Provisions***

- Eliminates the requirement in session law that school districts subtract their Dropout Prevention Program funding from the district's state sudden growth funding.
- Restructures the second of two \$20 million trigger monies passed by Laws 1999, First Special Session, Chapter 5, Section 24 so that all of the monies shall be distributed by September 1, 2000 for teacher salaries to teachers who provide at least 20 hours of classroom instruction each week during the school year.

### **HB 2379 – Chapter 344 – joint technological education districts**

HB 2379 permits a joint technological education district to use the budget balance carry forward provision similar to school districts retroactively to July 1, 1993 and appropriates \$250,000 from the general fund to the Department of Education for a vocational technical education demonstration project.

### **HB 2381 – Chapter 326 – lottery; ticket sales; gambling**

HB 2381 requires the Arizona State Lottery Commission to adopt rules to establish penalties for licensed agents who sell to underage persons and who sell to persons using either an electronic benefits transfer card or a public assistance voucher. The bill specifies the penalties are to increase in severity for each subsequent violation in a 12 month period.

### ***Provisions***

- Prohibits the Arizona State Lottery Commission or its Director from establishing or operating any game played

on the Internet or any on-line or electronic keno game.

- Requires the Director to print in a prominent location on every lottery ticket or share and to have posted at the point of sale a statement that help is available if a person has a problem with gambling and a toll free telephone number where a person can get assistance.
- Requires the Director to determine whether an agent has violated the rules or laws pertaining to the lottery within 30 days of receiving an allegation of wrongdoing and evidence substantiating the allegation.
- Prohibits the Director from requiring a licensed agent, as a condition of securing or holding a license to sell lottery tickets, to sell such tickets or shares through or by the use of a self-service vending machine at the licensed agent's premises.
- States that it is unlawful to sell a lottery ticket to a person who uses an electronic benefits transfer card issued by the Department of Economic Security or a public assistance voucher issued by a public entity to purchase lottery tickets or shares. In addition, the bill prohibits a licensed agent from selling a lottery ticket or share during the same transaction in which a person uses a public assistance voucher or an electronic benefits transfer card. Any person who violates this law is guilty of a Class 3 misdemeanor.
- Stipulates that, until June 1, 2003, it is unlawful for a person under 18 years of age to purchase a lottery ticket or share. After June 1, 2003, it is unlawful for a person under 21 years of age to purchase a lottery ticket or share. A person who violates this section is guilty of a petty offense.

### **HB 2384 – Chapter 272 – ombudsman for private property rights**

HB 2384 changes the name of the Ombudsman for Private Property Rights to the *Advocate* for Private Property Rights, requires the budget for the Advocate for Private Property Rights to be separate from the Legislative Council budget and stipulates that the Advocate for Private Property Rights serves at the pleasure of the Legislative Council.

### **HB 2418 – Chapter 399 [P 108] – \*aquifer protection permits**

HB 2418 allows the Department of Environmental Quality (DEQ) to set maximum fees for aquifer protection permit (APP) applications based on the permit hours required for processing permit applications and, pending the issuance of individual APPs by DEQ, requires the annual registration and payment of registration fees for facilities that were in operation on September 27, 1990 pursuant to a groundwater quality protection permit or notice of disposal filed with DEQ.

### **HB 2419 – Chapter 400 – mobile home parks; landlord; tenant**

HB 2419 modifies statutes related to mobile home parks.

#### ***Provisions***

- Expands the definition of change in use to include redevelopment of the mobile home park.
- Defines *redevelopment of mobile home park* as spaces being redeveloped for up-graded mobile home park use, as long as those spaces remain vacant for at least 180 days after the effective date of the change

in use notices given to tenants and a minimum of 25 per cent of the spaces in the park or 25 of the total number of spaces in the park, in groups of at least five contiguous spaces, are being changed into an upgraded mobile home park.

- Clarifies that a landlord does not have to provide cause for any change in rent as long as the landlord complies with notice of rent change requirements.
- Clarifies that upon termination of tenancy, any applicable security deposits must be returned to the tenant within 14 days and that insuring the mobile home, including fire department response insurance, is the responsibility of the tenant.
- Increases the amount the tenant may collect from the mobile home relocation fund to \$5,000 for a single-section and \$10,000 for a multi-section mobile home (currently \$3,000/\$6,000).
- Stipulates that in order for money to be drawn from the relocation fund, the mobile home must be occupied by one or more persons in its current location.
- Authorizes a tenant to either collect full payment from the relocation fund or abandon their mobile home in the park and collect an amount equal to one-fourth of the maximum allowable moving expenses from the fund if their tenancy is terminated due to a redevelopment of the mobile home park.
- Allows incorporated tenant's park purchase associations to be formed to give notice of intent to purchase a park and clarifies this is not to be construed as first right of refusal.

### **HB 2518 – Chapter 348 – \*county zoning: overlay zone**

HB 2518 excludes the creation or expansion of overlay zones solely for the purpose of implementing airport safety and protection and the redesignation of areas of the county to which the residential provisions of the county building code or the state plumbing code apply or do not apply from the definition of “rezoning” pursuant to statute, concerning any rezoning that changes the zoning classification of the land or restricts the use or reduces land value without the express written consent of the property owner.

### **HB 2520 – Chapter 378 – AHCCCS; finger imaging**

HB 2520 expands the Department of Economic Security's (DES) finger imaging eligibility program to certain programs within the Arizona Health Care Cost Containment System (AHCCCS) in order to prevent multiple enrollment of services provided by the system and assure the proper disbursement of AHCCCS pharmaceutical benefits.

- Requires by July 1, 2000 the following programs to be subject to finger imaging during the enrollment process: all programs where enrollment and eligibility screening occurs at a DES facility; programs that provide pharmaceutical benefits; and any other programs selected by the Director of AHCCCS.
- Stipulates that the finger imaging program for people who receive pharmaceutical benefits under AHCCCS be subject to legislative appropriation and available federal matching monies.
- Requires the implementation of a point of service finger imaging program for all

persons receiving pharmaceutical benefits pursuant to A.R.S. Title 36, Chapter 29.

- Provides an exemption to the finger imaging requirements for pregnant women who are receiving federal or state emergency services.
- Requires participating pharmacies to provide the finger imaging point of service device and requires participating pharmacies to comply with administrative rules.
- Requires administrative rules be adopted regarding designated recipients, temporary prescriptions, exempt persons and exempt pharmacies.
- Appropriates \$200,000 from the general fund to AHCCCS in FY 2000-01 for the purpose of implementing the finger imaging program.
- Creates a 12-member Joint Legislative Study Committee on Finger Imaging to study the implementation of the pharmaceutical point of service finger imaging program.

**HB 2527 – Chapter 178 –  
\*department of public safety:  
appropriation**

HB 2527 appropriates \$97,000 from the criminal justice enhancement fund to the Department of Public Safety to be used for personnel and operating expenses to process school bus driver licenses and \$58,600 to be used for personnel and operating expenses to process firearm clearance applications. The bill also appropriates \$300,000 from the general fund in FY 2000-01 to the Department for an additional four officers.

**HB 2554 – Chapter 364 –  
lobbyists; gift ban; political  
subdivisions**

HB 2554 prohibits a lobbyist from making an expenditure for entertainment for a state officer, state employee or a member of the corporation commission, a county board of supervisors, a city or town governing body or a school district governing board.

***Provisions***

- Prohibits a principal, designated lobbyist, authorized lobbyist, lobbyist for compensation, a public body, designated public lobbyist or authorized public lobbyist or any other person acting on that person's behalf from making an expenditure or a single expenditure for entertainment for a state officer or state employee and prohibits a state officer or state employee from accepting an expenditure or single expenditure for entertainment.
- Prohibits a person who for compensation attempts to influence the passage or defeat of legislation, ordinances, rules, regulations, nominations and other matters that are pending or proposed or that are subject to formal approval by the Corporation Commission, a county board of supervisors, a city or town governing body or a school district governing board or any person acting on that person's behalf from making an expenditure or single expenditure for entertainment for a member of the above mentioned groups.
- Exempts entertainment in connection with a special event properly reported or if the entertainment is incidental to the speaking engagement and defines *speaking engagement*.
- Contains a delayed effective date of December 31, 2000.

## **HB 2614 – Chapter 289 – recreation vehicles; landlord tenant**

HB 2614 amends the statutes relating to recreational vehicle (RV) space rental.

### ***Provisions***

- The relationship between a landlord and tenant involving the rental of an RV space for a period of 180 consecutive days or more is enumerated.
- A rental agreement that is deemed unconscionable may be voided.
- At the request of either the landlord or the tenant, a signed written rental agreement shall be executed and contain the amount of rent and any security deposit.
- If agreed to by both parties, the rental agreement may be for any term.
- The landlord shall provide a current copy of the rules of the park.
- The landlord shall give 60 days' notice before changing the provisions of the contract or increasing the space rent.
- Security deposits may be applied to the payment of accrued rent and the amount of damages that the landlord has suffered.
- The landlord shall keep the premises in a fit and habitable condition and comply with all applicable city, county or state codes materially affecting health and safety.
- The tenant shall maintain that part of the premises that the tenant has rented in as good condition as when the tenant took possession.
- The landlord shall adopt written rules concerning the tenants' use and occupancy of the premises.
- Unless provided in a written agreement, the landlord has no right of access to a tenant's RV without the tenant's permission.
- If there is a material noncompliance by the landlord with the rental agreement or the rules the tenant can terminate the lease agreement with 30 days' written notice.
- Tenants can be removed from the park if they engage in inappropriate conduct twice within a 12-month period or rent is unpaid.
- A landlord may not terminate or refuse to renew a rental agreement without good cause.
- Termination may occur if there is noncompliance with law that materially affects health and safety.
- If the tenant remains in possession without the landlord's consent after expiration of the term of the rental agreement or its termination, the landlord may bring an action for possession and rent for the holdover period.
- Landlords cannot retaliate against tenants who have brought verifiable complaints forward.

## **HB 2679 – Chapter 62 – \*medical savings account; task force**

HB 2679 establishes a task force to examine and make recommendations on issues relating to medical savings accounts (MSA).

- Establishes a MSA task force consisting of nine members.
- Requires the task force to study the performance of MSAs in Arizona, make recommendations regarding their continuation and possible expansion,

administer MSAs and review other issues relating to MSAs.

- Requires the task force to submit a report of its findings, conclusions and recommendations to the Governor, the Speaker of the House, President of the Senate, Secretary of State and Director of the Department of Library, Archives and Public records by November 15, 2000.

### **HB 2703 – Chapter 52 – salary commission; review; report date**

HB 2703 makes changes to the terms and reporting dates of the Commission on Salaries for Elective State Officers.

#### ***Provisions***

- Changes the year of appointments to the Commission from odd numbered years to even numbered years beginning in 2002.
- Requires the Commission to submit its report of recommendations to the Governor no later than June 1.
- States that the 1999 Commission's recommendations for all state elective officers are applicable to the biennial budget for fiscal years 2001-02 and 2002-03.
- Prohibits members from being appointed to the commission until 2002.

### **HB 2715 – Chapter 290 – money transmitters; net worth requirements**

HB 2715 requires each licensed *money transmitter* to maintain a net worth of at least \$100,000 calculated according to generally accepted accounting principles. If there is more than one location for a business, then there shall be an additional net worth of

\$50,000 per location or agent within the state [maximum \$500,000 total].

### **SB 1015 – Chapter 299 – theme parks; repeal**

SB 1015 repeals, retroactively to September 7, 1999, the ability of cities or towns to issue bonds to finance the construction of theme parks and repeals the ability of cities, towns and counties to impose a special excise tax in order to pay any issued bonds.

### **SB 1044 – Chapter 302 – legislative council; ombudsman; continuation**

SB 1044 continues the Legislative Council and the Advocate for Private Property Rights for ten years, until July 1, 2010. Contains a retroactive effective date of July 1, 2000.

### **SB 1046 – Chapter 26 – department; building; fire safety; continuation**

SB 1046 continues the Department of Building and Fire Safety for two years, until July 1, 2002. Contains a retroactive effective date of July 1, 2000.

### **SB 1213 – Chapter 371 – \*clinical trials; health insurance**

SB 1213 requires health care insurers to provide coverage for patient costs related to treatment in a Phase I, II, III or IV cancer clinical trial if the costs would be covered for non-investigational cancer treatments.

Health care insurers are required to cover cancer clinical trials under the following conditions:

- The treatment or study has been approved by an institutional review board in this state.
- The personnel involved in the trial are experienced and trained in the treatment being provided and are willing to accept reimbursement from the corporation at the rates established by the corporation.
- There is no clearly superior non-investigational treatment alternative.
- The data provided relating to the trial shows that the investigational treatment will be at least as beneficial as a non-investigational treatment.
- Prohibits liability for damages incurred by the patient due to the treatment provided during a clinical trial.
- Specifies that coverage requirements are not to replace funds provided by the government or other agencies and also that the coverage is limited to routine patient costs, excluding research costs.
- Does not create a private right or cause of action against an insurer and provides a sole administrative remedy to the director of the Department of Insurance for violation of this statute or rule.
- Does not prohibit an insurer from imposing cost sharing methods.

**SB 1214 – Chapter 256 –  
contractors; licensing; recovery  
fund; regulation**

SB 1214 outlines new license suspension requirements and specifies the amount of damages from the residential contractors' recovery fund (fund) awarded to a claimant if actions are not performed.

***Provisions***

- Includes a member of a limited liability company and a partner in a limited liability partnership in the definition of "person" in the statute involving licensing.
- Requires the Registrar to suspend a license if any of the following conditions occur: 1) the license entity is dissolved, where such dissolution involves the death of a sole owner, a partner is either added or removed from a partnership, a corporate authority is revoked or dissolved or a limited liability company or limited liability partnership is dissolved. 2) the licensed entity does not have authority to do business in Arizona or 3) the license is obtained or renewed with an insufficient funds check. (The license remains suspended until the Registrar receives a certified check, a money order or cash for the license fees and assessments.)
- Requires that the award of damages from the fund be the lesser of either \$20,000 or the deposit or down payment amount plus 10 per cent interest a year if a claimant has paid a deposit or down payment and no actual work is performed or materials are delivered.
- Prohibits the payment of interest from the fund on any other awards under this chapter unless ordered by a court of competent jurisdiction.
- Prohibits a holder of a license or a person listed on a license from aiding or abetting, conspiring with or allowing one's license to be used by a licensed person with the intent to evade provisions of this statute.
- Stipulates that a person who has been criminally convicted of contracting without a license is not eligible to obtain a license for one year.



- States that it is unlawful for a person who does not have a license to submit a bid or respond to a request for qualification or a request for proposals for construction services.
- Allows an administrative law judge to recommend restitution for damages caused by a licensee.
- Allows the Registrar to waive all but \$200 of a civil penalty if the person obtains a license.

**SB 1216 – Chapter 257 – schools; handbook; morals; civics; ethics**

SB 1216 requires the State Board of Education to develop a handbook regarding the teaching of moral, civic and ethical education for students in grades K – 12 and requires pupils to recite a passage from the Declaration of Independence daily unless the pupil or the pupil's parent or guardian objects.

**SB 1230 – Chapter 88 – Arizona state library; continuation**

SB 1230 changes the name of the Department of Library, Archives and Public Records to the Arizona State Library, Archives and Public Records (ASLAPR) and continues ASLAPR and the Board of Library Examiners for ten years, until July 1, 2010. The bill contains a retroactive effective date of July 1, 2000.

**SB 1251 – Chapter 196 – \*common areas; valuation**

SB 1251 changes, retroactively to December 31, 1999, the definition of common area by requiring that in order for property to be a common area, all residential property owners

must either be members of the community association or corporation within their respective development or pay mandatory assessments to maintain and manage the common areas.

**SB 1296 – Chapter 247 – \*abortion; parental consent**

SB 1296 requires written consent from a minor's parent or guardian or a superior court judge's authorization in order for a person to knowingly perform an abortion on a pregnant minor.

*Provisions*

- Requires a superior court judge to authorize a physician to perform an abortion on a pregnant minor if a) upon a petition or motion and after a hearing the judge determines that the minor is mature and capable of giving informed consent to the abortion or b) the judge determines that an abortion without parental or guardian consent would be in the minor's best interest.
- Specifies that proceedings in the court under this act are confidential and have precedence over other pending matters.
- Prohibits members of the public from gaining access to records of the court in these proceedings.
- Requires a judge who conducts the proceedings to make written specific factual findings and legal conclusions supporting the judge's decision.
- Allows a minor to file under a fictitious name.
- Requires the court to hold a hearing and issue a ruling within 48 hours of the petition being filed, excluding holidays and weekends.

- Specifies that if a ruling is not issued within 48 hours, the petition is deemed to have been granted and the consent requirement is waived.
- Allows for an expedited confidential appeal if the court denies an order authorizing an abortion without parental consent. The appellate court shall hold a hearing and issue a decision within 48 hours, excluding weekends and holidays, after the petition is filed.
- Stipulates that filing fees are not required of the pregnant minor at the trial or appellate level.
- Stipulates that parental consent or judicial authorization is not required if a) the pregnant minor certifies that the pregnancy resulted from sexual conduct with the minor by the minor's parent, stepparent, uncle, grandparent, sibling, adoptive parent, legal guardian or foster parent or by a person who lives in the same household with the minor and the minor's mother or b) the physician certifies in the minor's medical record that the minor has a condition that necessitates an immediate abortion to avert her death or for which a delay will create serious risk of substantial and irreversible impairment of major bodily function.
- Requires the physician performing the procedure to report the sexual conduct with a minor by the minor's parent, stepparent, sibling, uncle, grandparent, adoptive parent, legal guardian or foster parent or person who lives with the minor or the minor's mother to the proper law enforcement officials and requires the physician to preserve a sample of the fetal tissue for use in a criminal investigation.
- Establishes it is a Class 1 misdemeanor to perform an abortion in violation of this act.

- Specifies that a person is not subject to any liability if the person establishes in writing that the person relied on evidence sufficient to convince a careful and prudent person that the representations of the pregnant minor regarding the information necessary to comply with this section are true.

### **SB 1302 – Chapter 90 – \*charter school reform**

SB 1302 makes numerous changes to the charter school statutes.

#### ***Provisions***

- Requires an applicant seeking to establish a charter school and an application for renewal of a charter to submit a detailed business plan.
- Prevents school districts from sponsoring charter schools located outside the geographic boundaries of the school district. Grandfathers those charter schools sponsored prior to July 1, 2000 if the school district is in compliance with the Uniform System of Financial Records (USFR).
- Prevents school districts from sponsoring new or transferring charter schools if the school district has been determined to be out of compliance with the USFR during either of the two previous fiscal years.
- Requires the state boards to accept any sponsorship transfers from school districts determined to be out of compliance with the USFR but allows the boards to require the applicant to sign a charter equivalent to that awarded by the former sponsor. Allows the State Board of Education and the State Board for Charter Schools to accept any other charters being transferred. Eliminates limits on the

number of charter schools that may be approved by the state boards.

- In the event the operation of a charter school is transferred to another sponsor, continues the charter for the remaining length of the charter. Current law specifies that charters are valid for 15 years; if a charter is transferred during this time frame, the 15-year period begins anew.
- Creates a process, retroactive to June 30, 2000, for school districts that sponsor charter schools and that are determined to be out of compliance with the USFR.
- Requires the State Board of Education to withhold up to 10 per cent of a charter school's state aid if the sponsor determines that the charter school is not in compliance with federal law, state law or its charter. Requires a public hearing and specifies a process by which the charter school can return to compliance.
- Requires the State Board of Education to restore a charter school's full amount of state aid if they come into compliance after having monies withheld.
- Requires charter schools and school districts to keep on file the resumes of all current and former employees who provide instruction to pupils and specifies the content of the file. Parents and guardians must be informed of the availability of the information.
- Removes current statute that exempts a governing board, its agents and employees from liability for acts or omissions of a charter school sponsored by the school district.
- Stipulates that all sponsors are immune from personal liability for actions taken in good faith within the scope of their authority.

- Requires the operator of a charter school to conduct a public hearing at least 30 days before a site is opened if the charter school is not already subject to a municipal hearing. Public meeting notices must be posted by the operator in at least three different places located within 300 feet of the proposed site.
- Removes the current schedule of state aid apportionment and requires monies to be distributed to charter schools in 12 equal installments during the fiscal year.
- Removes operational decisions as a responsibility of the charter school governing body.
- Outlines the process for calculating a charter school's transportation revenue control limits.
- Stipulates that a person commits misappropriation of charter school monies if, without lawful authority, and with an intent to defraud, the person converts monies received by this state under a charter school contract in a manner that does not further the purposes of the charter and is not reasonably related to the business of the charter school.
- Classifies misappropriation of charter school monies, as a Class 4 felony except if the monies converted exceeds \$25,000 then it is a Class 2 felony.

### **SB 1307 – Chapter 119 – firearms; random gunfire**

SB 1307 stipulates that a person with criminal negligence who discharges a firearm within or into the limits of a municipality is guilty of a Class 6 felony.

*Provisions*

- States that if the dangerous nature of the discharge cannot be proven, the offender will be charged with a Class 1 misdemeanor.
- Exempts a person who discharges the firearm more than one mile from any occupied structure or a person who acts in self defense or in the defense of another person against an animal attack.
- Designates this act as Shannon's Law.

### **SB 1316 – Chapter 143 – prohibited possessor; definition**

SB 1316 stipulates that a person serving a probation term involving domestic violence or a felony offense is classified as a "prohibited possessor" of weapons.

### **SB 1328 – Chapter 340 – \*retirement; deferred option**

SB 1328 establishes a deferred retirement option plan (DROP) for Public Safety Personnel Retirement System (PSPRS) members and establishes the guidelines for the plan.

*Provisions*

- Establishes DROP to provide members who elect to participate access to a lump sum benefit upon employment termination, in addition to their normal monthly retirement benefit.
- States that any member of PSPRS who is eligible for a normal pension and has obtained 25 years of service is eligible to participate in DROP.
- Requires the board or fund manager to offer DROP to eligible PSPRS members on a voluntary basis as an alternative

method of benefit accrual under the system from July 1, 2001 to June 30, 2006.

- Requires a member who elects to participate in DROP to voluntarily and irrevocably:
  1. Designate a period of participation that is not more than 60 consecutive months.
  2. Cease to accrue membership benefits beginning on the first day of the member's participation in DROP.
  3. Have DROP plan benefits credited to a DROP participation account.
  4. Receive benefits from the system on termination of employment at the same time and in the same manner as a normal retirement pension.
- Allows the Board or fund manager to adopt additional rules for DROP necessary to comply with federal law.
- Repeals DROP June 30, 2006.
- Allows a member who is participating in DROP before July 1, 2006 to continue to participate until the member's effective date of termination, even after the repeal of DROP.

### **SB 1363 – Chapter 167 [E] – shooting range and firearm safety**

SB 1363 is an emergency measure that establishes the firearms safety and ranges fund (fund) for studies and programs regarding the good practice and management of shooting ranges and establishes a study committee on firearm safety and sport shooting ranges.

*Provisions*

- Establishes the firearms safety and ranges fund that is continuously appropriated and is administered by the Arizona Game and Fish Commission.
- Requires that monies in the fund be used to award grants for the following purposes: shooting range engineering and studies, noise abatement, safety enhancement, shooting range design, new shooting range construction, shooting range relocation and other projects that are necessary to operate a shooting range under good practices and management.
- Establishes a five-member Shooting Range Project Advisory Board.
- Requires the Board to develop the application, evaluation and award procedures to distribute grants, solicit grant projects, review grant applications, submit recommendations to the Commission on awarding grants to eligible applicants and inspect and audit expenditures and projects funded by the grants.
- Establishes a 13-member Firearms Safety and Sport Shooting Ranges Study Committee to make recommendations on safety and law enforcement in the operation of shooting ranges, noise control, resolution of conflicts between shooting ranges and landowners, feasibility of relocation and other related issues.

**SB 1374 – Chapter 250 –  
attorney fees; recovery; property  
seizure**

SB1374 requires the court to award attorney's fees and other expenses to a party who prevails in a civil action brought by the party against the state, county, city or town to

challenge the seizure and sale of personal property.

**SB 1375 – Chapter 314 –  
\*recreational vehicle space  
surcharge; repeal**

SB 1375 repeals the recreational vehicle space surcharge levied in order to retain, attract or relocate major league baseball spring training operations.

*Provisions*

- Repeals the County Stadium District Board of Directors' authority to levy a recreational vehicle space surcharge.
- Stipulates that if a district has levied a surcharge before January 1, 2000, then the district may continue to levy a surcharge at any time on or after that date, except that the surcharge shall be terminated when all bonds as of September 1, 2000 that are secured by the surcharge are fully discharged.

**SB 1392 – Chapter 358 – public  
meetings**

SB 1392 makes numerous changes to the statutes regarding open meeting laws.

*Provisions*

- Defines executive session as a gathering of a quorum of members of a public body from which the public is excluded for reasons outlined by statute.
- Redefines *meeting* to allow a quorum through the use of technological devices.
- Requires executive session minutes to include an accurate description of instructions given to the public body's attorney or designated representative regarding the body's position on 1)

contracts that are the subject of negotiations in pending or contemplated litigation or in settlement discussions conducted to avoid or resolve litigation 2) negotiations with employee organizations regarding salaries, salary schedules or compensation in the form of fringe benefits and 3) negotiations for the purchase, sale or lease of real property.

- Allows a public body to make an open call to the public during a public meeting to allow individuals the opportunity to address the public body on any issue within the jurisdiction of the public body.
- Permits, at the end of the open call, the public body to respond to criticism, ask the staff to review a matter or ask that a matter be put on a future agenda.
- Prohibits members of the public body from discussing or taking legal action on matters raised during an open call, unless they are properly noticed.
- Requires the agenda of an executive session to provide more than a recital of the statutory provisions authorizing it.
- Expands the purpose for which a public body may hold an executive session.
- Permits the minutes and discussions made in an executive session to be made available to the county attorney or the Attorney General when investigating alleged violations and repeals the current method of obtaining these minutes.
- Prohibits legal action from being taken at an executive session except that a public body may instruct its attorneys or representatives on specific areas and requires a public vote before any legal action binds the public body.
- Stipulates that disclosure of executive session information does not constitute a

waiver of any privilege, including attorney-client privilege and stipulates that any person receiving information about an executive session can only disclose that information to the Attorney General or a county attorney through an agreement with the public body or to a court in camera.

- Requires any court that reviews executive session information to protect privileged information.
- Allows the Attorney General or the county attorney to investigate a violation of the open meeting law on receipt of a written complaint or based on personal initiative.
- Provides investigative powers and requirements, including written investigative demands for the Attorney General and a county attorney.
- Allows the Attorney General or a county attorney to file an action in superior court to enforce a written demand if a person objects or fails to comply with the demand and specifies that the venue to enforce the demand shall be in Maricopa County or the county where the violation occurred.
- Provides notice requirements for the hearing to enforce the demand.
- Requires a court to order a person to comply with a demand, subject to court modifications, when a court finds that the demand is proper, that there is reasonable cause to believe a violation of public meeting laws has occurred and that the information sought or document or object demanded is relevant to the violation.
- Allows a court to issue any of the following orders when a person fails to comply with a court order to produce information or documents: 1) adjudging

the person in contempt of court, 2) granting injunctive relief against the person to whom the demand is issued to restrain the conduct that is the subject of the investigation or 3) granting other relief the court deems proper.

- Allows the court to impose a civil penalty up to \$500 per violation on a person who violates open meeting laws or who knowingly aides, agrees to aid or attempts to aid another person in violating the laws.
- Allows the Legislature to adopt rules to allow standing or conference committees to meet through technological devices rather than only in person.
- Prohibits a member of a public body from knowingly directing any staff member to communicate in violation of the open meeting laws.

### **SB 1418 – Chapter 374 – regulatory reform; rule making; review**

SB 1418 allows an agency to use emergency rule making authority for specified reasons.

#### ***Provisions***

- Allows an agency to use emergency rule making procedures if the rule is necessary to do any of the following: 1) protect the public, health, safety or welfare, 2) comply with deadlines in amendments to an agency's governing law or federal programs, 3) avoid violation of federal law or regulation or other state law, 4) avoid an imminent budget reduction, or 5) avoid serious prejudice to the public interest or the interest of the parties concerned.
- Requires the Attorney General to review the demonstration of the emergency and

rule on it within 60 days of receiving the rule.

- Allows an emergency rule to be renewed for one additional 180-day period.
- Strikes the current language allowing the use of the emergency rule making procedures.
- Allows a person who is or may be affected by an existing agency practice or substantive policy statements to obtain judicial review of agency decisions to determine if an existing agency practice or substantive policy statement constitutes a rule. Requires the person to obtain a judicial declaration on the matter by filing an action for declaratory relief in Maricopa County Superior Court.

### **SB 1431 – Chapter 385 – newsprint recycling**

SB 1431 amends laws related to the Arizona Recycling Program.

#### ***Provisions***

- Redefines *recycled-content newsprint* by eliminating the requirement that it consist of at least 40 per cent post-consumed wastepaper.
- Redefines *recycled paper* by eliminating the requirement that it contain at least 40 per cent recovered wastepaper with 10 per cent of the recovered wastepaper being post-consumer material.
- Requires that the newsprint purchased by a consumer of newsprint in a fiscal year contain an average of at least 40 per cent recycled-content newsprint. This requirement is contingent upon the recycled-content newsprint meeting the reasonable quality requirements of the consumer of newsprint.

- Requires that on or before September 1<sup>st</sup>, each consumer of newsprint within this state must certify to the Director of Department of Environmental Quality the number of tons of newsprint and recycled-content newsprint purchased during the preceding fiscal year.
- Removes language pertaining to the manner in which a consumer of newsprint certifies to the director the specific reasons for failing to purchase recycled-content newsprint.

### **SB 1435 – Chapter 113 – regulatory reform; conforming changes**

SB 1435 conforms statutes regarding the uniform administrative hearing procedures and transfers the judicial review procedures from Title 41 to Title 12.

### **SB 1485 – Chapter 36 – county boundary study committee**

SB 1485 establishes a County Boundary Study Committee to examine proposals for changing county boundaries or creating new counties, particularly any proposal pertaining to changing the Navajo, Apache and Coconino county boundaries to create a new county within the boundaries of the Navajo Nation.

### **SB 1504 – Chapter 405 [P 108/ LIV] – \*2000 clean air act**

SB 1504 makes numerous statutory changes relating to alternative fuels.

#### ***Provisions***

- Defines neighborhood electric vehicle (NEV).

- Decreases the allowable income tax credit for NEVs.
- Provides that these vehicles may not be operated on a golf course if the tax credit has been taken.
- Prohibits income tax credits for used NEVs.
- Includes alternative fuel vehicles with super low emissions in the alternative fuel program.
- Eliminates the oxygenate requirement in Area-A.
- Directs the Clean Air Fund (CAF) to buy down the cost of the vehicle emissions inspection to \$25.00 in Area A and \$9.00 in Area-B.
- Includes counties as eligible to receive CAF grants.
- Provides a one-time registration for alternative fuel vehicles with a gross vehicle weight less than 12,000 lbs.
- Corrects the current income tax credit for pollution control equipment to exclude motor vehicle equipment at the request of the Department of Revenue.
- Allows the Motor Vehicle Division an alternative for vehicles that have been issued special plates other than alternative fuel plates.
- Prohibits non-regulated utility companies from imposing a monthly service charge for natural gas used to refuel an alternative fuel vehicle.
- Allows converted vehicles that meet the same standards as original equipment manufacturer (OEM) vehicles to be eligible for the same incentives.



- Increases the penalty for driving a non-alternative fuel vehicle or a vehicle with less than two occupants in the high occupancy vehicle lane.
- Clarifies who can take advantage of income tax credits for leased alternative fuel vehicles.
- Clarifies that the income tax credit for a home refueling station includes installation.
- Makes the implementation of the tax incentives offered for alternative fuel vehicles uniform.
- Establishes that alternative fuel vehicles may park in parking spaces designated for carpooling.
- Clarifies the disbursement method and the requirements for CAF grants, as well as tax credits for alternative fuel vehicles and alternative fuel stations.
- Authorizes the CAF to appropriate money for a hydrogen pilot program.
- Allows air quality funds to be provided to non-university state employees in Pima County.
- Instructs the Department of Commerce's Energy Office to petition the EPA for an extension of Memorandum 1-A Option 3.
- The compliance schedule for school districts to meet their alternative fuel fleet requirements is reset to five per cent of the fleet by 2001 and ending in 2006 at 75 per cent.
- Allows school districts that have met their percentage fleet requirement to receive increased state funding for transportation per student mile in alternative and conventionally fueled vehicles.

- Allows school districts that have not met their fleet requirement to receive increased state funding for transporting students in alternative fuel vehicles.
- School districts under 3,000 students are exempt from the alternative fuel fleet requirement.
- Appropriates \$2.1 million in FY 2001 for the voluntary vehicle repair and retrofit program.
- Creates a holding account for CAF monies to reimburse the general fund for any carry forwards that will impact the general fund in FY 2000-01.
- The Governor line-item vetoed \$300,000 in FY 2001-02 from the voluntary vehicle repair and retrofit program.

### **SB 1505 – Chapter 148 - \*clean burning fuel: biodiesel**

SB 1505 moves "A-55" fuel from the alternative fuels category to the clean burning fuels category, adds biodiesel to the latter category and modifies the alternative fuel program requirements to include clean burning fuels for public fleets in area A.

#### ***Provisions***

- Defines biodiesel as a diesel fuel substitute that is produced from non-petroleum renewable resources and meets federal Clean Air Act section 211 registration requirements if the use complies with the above referenced rule.
- Allows fleet vehicle programs for area A that are operated by school districts, municipalities, the county, the state and the federal government to also use clean burning fuels (in addition to alternative fuels) in their vehicle fleet plan. The diesel fuel substitute (that qualifies as a

clean burning fuel) cannot be used to meet more than 50 per cent of the plan requirements.

- The new bus program for cities cannot include a diesel fuel substitute that qualifies as a clean burning fuel.
- The annual report by the Department of Administration shall include information on the use of clean burning fuels.
- Increases the amount of biodiesel that must be used by a fleet to qualify for an alternative fuel vehicle credit if it cannot meet the same standards as California diesel fuel.

### **SB 1549 – Chapter 233 – construction contract payments**

SB 1549 outlines the procedures for progress payments which are required to be made for work done in construction contracts.

#### ***Provisions***

- Allows an owner to make progress payments on construction contracts of less than 60 days.
- Requires an owner to make progress payments to a contractor on all other construction contracts. Progress payments must be made on the basis of a duly certified and approved billing or estimate of the work performed and the materials supplied during the preceding 30 day billing cycle or such other billing cycle as stated in the contract.
- Stipulates that an owner has 14 days to approve and certify a billing or estimate and any billing or estimate shall be deemed approved and certified 14 days after the owner receives it unless during that 14 days the owner issues a written

statement detailing those items not approved or certified.

- Requires progress payments to be made seven days after a billing or estimate is approved and certified by the owner.
- Stipulates that if a billing or estimate is to be submitted in other than a 30-day billing cycle, the construction contract and each page of the plans must identify the other billing cycle in a clear and conspicuous manner as prescribed by statute or the plans must identify that the owner will provide a written description of the different billing cycle upon request.
- Allows a progress payment to be made later than seven days after a billing or estimate is approved if 1) the contract specifically provides for a later payment and the number of days after certification and approval are specified, and 2) a legend as prescribed by statute is included in clear and conspicuous type on each page of the plans.
- Allows an owner to extend the certification and approval provision if 1) the contract provides for extended certification and approval and the number of additional days for certification and approval is specified, and 2) a legend as prescribed by statute is included in clear and conspicuous type on each page of the plans.
- Stipulates that if the project requires a federal agency's final approval the owner shall make the payment in full within seven days of the final approval by the federal agency.
- Stipulates that a construction contract cannot alter the rights of any contractor, subcontractor or material supplier to receive prompt and timely progress payments.

- Authorizes interest payments of one and one half per cent per month or fraction of a month on any unpaid balance or at a higher rate as the parties agree.
- Requires the owner, upon written request of the subcontractor, to notify the subcontractor within five days after each periodic progress payment has been made to the contractor and after the final payment has been made to the contractor.
- Empowers the successful party, in a civil action or arbitration that is brought to collect payment or interest, to be awarded reasonable costs and attorney's fees.
- Allows an owner and contractor who are a single entity to pay its subcontractors or material suppliers within 14 days of approving any billing or estimate unless another billing cycle is provided according to statute.
- Amends current law to allow seven days for progress or final payment to subcontractors or material suppliers if they have performed according to the provisions of their contract and strikes the current provision of law that allows for any other payment agreement.
- Authorizes interest at the rate of one and one half per cent per month or fraction of a month for delayed payments by a contractor to a subcontractor beginning on the eighth day.
- Allows a contractor or subcontractor to suspend performance or terminate a contract for failure by the owner to make timely payments if the contractor provides seven days written notice to the owner seven days before the suspension or termination unless a shorter notice is required in the contract.
- Allows a subcontractor to suspend work or terminate a subcontract if the owner makes timely payments but the contractor fails to pay the subcontractor or fails to certify part of a billing or estimate if the noncertification is due to something that is not the fault of the subcontractor. The subcontractor must give seven days notice to the owner and contractor before the subcontractor suspends work or terminates the contract unless a shorter notice is prescribed in the contract.
- Stipulates that any contractor or subcontractor that suspends work is not required to supply any further labor, services or materials until they have been paid.
- States that the following are against the state's public policy and are void and unenforceable: 1) any provision, covenant, clause or understanding that makes the contract subject to the laws of another state or that requires any litigation, arbitration or other dispute resolution arising from this contract to be conducted in another state and 2) any provision, covenant, clause or understanding that prohibits the suspension of work or the termination of the contract if prompt payments are not made.
- Applies to construction contracts where the owner distributes plans after the effective date of this act and to parties that sign a construction contract after January 1, 2001.

**SB 1554 – Chapter 332 –  
universities; fees; deduction;  
prohibition**

SB 1554 requires Arizona State University (ASU) to distribute income derived from discoveries of specified drugs. The bill does

not specify a process for distribution. ASU is required to prepare an audited annual report detailing the distribution of income received. The report must be provided to the President of the Arizona Board of Regents, the

Governor, the President of the Senate, the Speaker of the House of Representatives, the Secretary of State and the Arizona Department of Library, Archives and Public Records.

**Committee Chairman:** Representative Susan Gerard  
**Research Analyst:** Liana Martin

### List of Bills

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### **HB 2013 – Chapter 101 [P 108] – \*nursing care; assisted living; fees**

HB 2013 establishes additional fees for assisted living facility managers, and makes all fees collected by the Board of Nursing nonrefundable. In addition, nursing care institutions and assisted living facilities are required to offer yearly influenza and pneumonia vaccinations to all residents.

This bill contains a retroactive effective date of October 31, 1998.

### **HB 2040 – Chapter 6 – administrative medical directives**

HB 2040 broadens the definition of who is authorized to supervise certified emergency medical technicians to include licensed medical doctors and osteopathic physicians.

### **HB 2041 – Chapter 149 – \*genetic testing**

HB 2041 requires genetic testing information be confidential, is privileged to the person tested and shall be released only to specifically authorized individuals. A person obtaining test results is also subject to disclosure restrictions. Genetic testing information is exempt from the public records statutes and cannot be released to the public by state or local health authorities.

A court shall prevent disclosure of genetic testing information, consistent with current statute pertaining to compliance with subpoenas for health care provider records, if the information is subpoenaed or obtained pursuant to court order. Health care providers are required to respond consistently with this statute. Current statute governing release of medical records does not apply to genetic

testing information contained in a patient's medical record.

Release of genetic testing information is governed by current law concerning the release of medical records after the person's death, but a person may release, deny or limit the release of the testing results through a testamentary document.

The good faith of a health care provider is assumed, but the presumption may be rebutted by a preponderance of the evidence. A health care provider acting in good faith is not subject to civil liability.

The bill's provisions do not limit the state insurance statute provisions pertaining to confidentiality and use of genetic testing information.

A physician is required to notify a parent or legal guardian of the results of a genetic test of a child and a test cannot be performed on a child without the consent of the parent or legal guardian, except for testing under the newborn screening program. Written informed consent is required prior to genetic testing from the person to be tested or from the authorized representative.

### **HB 2042 – Chapter 12 [P 108] – podiatry board; omnibus**

HB 2042 makes the following changes relating to the Board of Podiatry:

A licensee is required to complete 25 hours of continuing education to renew a license. The license must be renewed prior to August 31 to avoid cancellation by the Board.

Various fee caps are increased.

The Board may summarily suspend a license pending a formal hearing and a licensee subject to this suspension is entitled to a hearing within 60 days. Licensees are

accountable for unprofessional conduct performed in other states.

A licensee shall retain patient records for at least seven years and make records available to another physician or another podiatrist within 21 days of a request.

### **HB 2043 – Chapter 282 – health care insurance; medical foods**

HB 2043 specifies any contract, evidence of coverage or health benefits plan containing a prescription drug benefit include coverage of certain medical foods in order to treat inherited metabolic disorders that are tested as part of the newborn screening program. *Medical foods* are modified low protein foods and metabolic formula.

The bill requires insurance coverage of at least 50 per cent of the cost of medical food and allows a maximum annual benefit cap of \$5,000 for medical food costs. Those disability insurance policies that are single episode hospitalization-type policies are excluded from this legislation.

### **HB 2046 – Chapter 200 – nonprescription drugs; vending machines**

HB 2046 allows for the distribution of nonprescription drugs through the use of vending machines.

### **HB 2145 – Chapter 204 [P108] – BOMEX; licensure**

HB 2145 contains the following major provisions pertaining to the Allopathic Board of Medical Examiners (BOMEX):

A health care provider shall retain an adult's or child's medical records for a minimum of seven years from the last date of service, or for three years after the child's 18<sup>th</sup> birthday,

whichever is last. A nursing care institution shall retain patient records for five years after the patient's discharge or, if a minor, records are to be retained for 3 years.

The prescribing, dispensing or furnishing of a prescription is prohibited unless the physician first performs a physical examination or has some prior professional relationship with the patient.

A public member is added to the Board and deletes the member who must be a licensed professional nurse (the membership remains at 12). One of the public members shall be a licensed nurse, with at least five years experience. Compensation for Board members is increased from \$150 to \$250 per day for each day of Board business.

A six-member review committee of the full Board cannot issue a letter of reprimand.

The surrendering of a license to another licensing or regulatory jurisdiction may be considered unprofessional conduct.

The effective date for the BOMEX Internet web site containing a profile of each licensee is changed from August 31, 2000 to January 1, 2001, to correspond with the new biennial renewal system. It is an act of unprofessional conduct if a licensee provides incorrect information for the profile, and allows the Board to impose a civil penalty not to exceed \$1000 for each infraction.

The Board may issue a license under certain probationary conditions and requires the Board to notify the applicant in writing of the conditions.

The Board is authorized to charge new fees, to increase fees and to eliminate fees.

A person providing information to the Board in good faith is not subject to civil liability.

The Board or the Executive Director may require assessment of a doctor by a Board

approved rehabilitative, retraining or assessment program, at the doctor's expense. In addition, allows the Board to require a physician to successfully complete such a program through a consent agreement. Physicians participating in an education or rehabilitation program under the terms of probation are required to pay for the expenses of the program.

An active licensee may surrender a license to the Board if there is an admission in writing of being unable to safely practice medicine, unprofessional conduct or violation of statute or rule. The Board may issue a new license to a physician whose license was surrendered to the Board if the applicant demonstrates rehabilitation on the conduct that was the basis for the surrender of the license.

### **HB 2148 – Chapter 175 – ambulances; rate changes; notification**

HB 2148 requires the Department of Health Services to notify applicants and health care services organizations of emergency medical transport rate changes on or before May 1. A rate adjustment request filed before April 1 is effective June 1.

The Director may establish a rate and charge structure pursuant to Medicare guidelines.

### **HB 2153 – Chapter 324 [P 108] – board of dispensing opticians**

HB 2153 authorizes the Board of Dispensing Opticians to hire or contract with investigators, issue subpoenas for witnesses and documents, hire additional employees or contract with state agencies. Compensation for Board members is increased from \$30 to \$50 per day of Board business. In addition, changes are made to statutes pertaining to operating an optical establishment.

Fees for late renewal, name change, issuance of a duplicate license and reinstatement of a license are established. All fees are nonrefundable.

The bill makes changes regarding the time line used when requesting and conducting investigations and hearings and for license renewal. The Board may impose a civil penalty not to exceed \$1,000 in disciplining a licensee or on a person or establishment acting without a license.

### **HB 2158 – Chapter 176 – board of osteopathic examiners**

HB 2158 makes the following major changes pertaining to the Board of Osteopathic Examiners in Medicine and Surgery:

The Board is authorized to delete certain complaint records after a specified period of time. Requirements for the deletion of patient records by physicians are also listed.

Compensation for Board members is increased from \$150 to \$250 per day of Board business.

Licenses must be renewed every other year on the licensee's birthday starting January 1, 2001. If the license is not renewed within four months after this date, the license will expire.

Requirements are established in order for a physician to receive a teaching license. A physician who is licensed in Arizona or another state must open an office, appoint a place of meeting or receive calls in this state.

Board and licensee requirements regarding investigations and hearings are specified, as well as additional acts that constitute unprofessional conduct. A licensee may surrender an active license after admitting, in writing, to an act of unprofessional conduct or having violated the Board's rules.



**HB 2313 – Chapter 83 – tobacco escrow accounts; model statute**

HB 2313 enacts the model statute described in the Master Settlement Agreement entered into on November 23, 1998 between Arizona and certain U.S. tobacco product manufacturers. The bill establishes the following requirements:

Any tobacco product manufacturer selling cigarettes to consumers within Arizona shall either become a participating manufacturer in the Master Settlement Agreement or deposit monies into a qualified escrow account each April 15 in an amount equivalent to the rates paid by participating manufacturers. The specific rates for the annual escrow payments are on a per unit basis.

The interest earned on escrow monies is to be returned to the nonparticipating tobacco product manufacturer.

The release of escrow monies: is authorized to pay a judgement or settlement on any released claim brought against a tobacco product manufacturer by the state; revert to the nonparticipating tobacco product manufacturer to the extent the manufacturer placed into the escrow account an amount greater than the manufacturer would have made under the Master Settlement Agreement; or revert to the nonparticipating tobacco product manufacturer 25 years from the date the monies were placed into escrow to the extent the monies were not previously released.

Each nonparticipating tobacco product manufacturer shall certify its compliance with the escrow requirements annually to the Attorney General.

In addition, the bill establishes various penalties for noncompliance and requires civil penalties be deposited in the general fund.

*Note: The provisions of HB 2313 are also contained in Laws 2000, Chapter 366, HB 2658, which is an emergency measure.*

**HB 2415 – Chapter 156 – pharmacists; prescriptions; authority**

HB 2415 stipulates the circumstances under which a pharmacist may implement, monitor or modify a patient's drug therapy, and requires a pharmacist to make a patient's charts available to other health care providers.

The rules adopted by the Board of Pharmacy must be approved by the Allopathic Board of Medical Examiners and the Board of Osteopathic Examiners in Medicine and Surgery.

**HB 2482 – Chapter 327 – EMTs; first responders; definition**

HB 2482 makes the following changes regarding ambulance services and emergency medical services (EMS) providers:

- Centralized medical direction may be provided through a centralized medical direction communications center. The center must be staffed by at least one medical doctor or doctor of osteopathic medicine.
- Requirements are added that a person must fulfill to become a first responder.
- In an area populated with more than 10,000 people, an ambulance must be staffed with at least one emergency medical technician and one ambulance attendant, excluding the first responder.
- Pilot programs designed to improve the efficiency of ambulance inspections may be developed by the director after consultation with the EMS Council.

- The Director of the Department of Health Services (DHS) may waive or suspend protocols relating to treatments and medications. Parties interested in being notified of these changes must submit a request to the Director in writing.
- Providers having certain training and education programs may administer the test for certification or recertification after approval by the Director.
- The Director may authorize a service provider to investigate employees. During an investigation, the employer may limit the practice of an employee. At the conclusion of an investigation, the employer may make a recommendation to the Medical Director of EMS regarding the certification status of the employee.
- The membership on the EMS Council is increased by an additional two public members. Language is deleted allowing the Governor to accept recommendations for Council appointments from certain organizations.

This bill contains a non-lapsing appropriation of \$100,000 in FY 2000-01 from the EMS operating fund to DHS for a demonstration project to contract for central medical direction for emergency medical services.

### **HB 2557 – Chapter 350 – cigarettes; small packages; prohibition**

Except in certain circumstances, it is unlawful to manufacture, sell or distribute in this state a package or other container of less than 20 cigarettes or a package of roll-your-own tobacco containing less than 0.60 ounces of tobacco. This legislation does not prohibit manufacturing these products for sale or distribution out of state or in bars in this state

that admit those who are 21 years of age and older.

A violation of this section is a Class 3 misdemeanor (up to 30 days jail/up to \$500 in fines for persons, up to \$2000 in fines for enterprises, plus surcharges).

### **HB 2558 – Chapter 273 – tobacco products; schools**

HB 2558 stipulates the prohibition against tobacco products on school grounds and school related areas does not apply to adults who use tobacco products as part of school-sanctioned tobacco prevention or cessation programs.

### **HB 2647 – Chapter 365 – \*abortion; viable fetus; ultrasound; clinics**

HB 2647 deletes current statutory language pertaining to pathological examination of fetal and embryonic tissues and replaces the process with ultrasound measurement systems.

The bill prohibits a physician from knowingly performing an abortion of a viable fetus unless certain criteria are met and prohibits a person, beginning January 1, 2001, from knowingly performing an abortion after 12 weeks' gestation unless:

- An estimation of the gestational age of the fetus is performed, based on a measurement system using ultrasound.
- A copy of each ultrasound result is sent to the Department of Health Services (DHS) contractors for review for second or third trimester abortions. Requires contractors, beginning January 1, 2001, to report monthly to the DHS Director regarding ultrasound results.

The bill contains the following other provisions:

- Clarifies if a doctor is not present at an abortion clinic, then another health professional shall be present and remain until each patient is discharged and a physician performing an ultrasound examination does not need documented evidence of coursework in the operation of ultrasound equipment.
- Requires a licensed health professional from the abortion clinic to make a good faith effort to contact the patient, with the patient's consent, 24 hours after surgery to assess recovery.
- Changes various dates pertaining to ultrasound results (formerly pathological examination of fetal and embryonic tissues).
- Adds that rules adopted pursuant to this act are severable.
- Changes the due date for an Auditor General's evaluation of the first two years of the operation of the ultrasound review process from December 31, 2002 to December 31, 2003.
- Extends the time to December 31, 2001 for the Health Committee of Reference to make recommendations pertaining to facilities that are exempt from DHS licensure.
- Exempts DHS from rule making under the administrative procedures act until March 31, 2001 in order to adopt rules required pursuant to this act.
- The act adds a retroactive effective date of July 1, 2000 for the section pertaining to review of ultrasound results.

## **HB 2649 – Chapter 11 – public health; boards; districts.**

HB 2649 eliminates non-utilized health department models (city, city-county or multi-county) and leaves the authority for public health services with the county or with a public health services district.

### ***Provisions***

- Prohibits a county, which did not charge its municipalities for public health services prior to January 1, 1999, from doing so in the future. Prohibits a county board of supervisors from charging a city or town for public health services unless a valid intergovernmental agreement is in effect during the period being charged.
- Requires the director of a county health department to provide equal public health services to all residents of the county consistent with grant requirements and allows a county to address specific public health needs that are unique to an area or condition.
- Allows a city or town to provide services beyond the county's basic level of service and to use any provider to deliver those services.

### ***Public Health Services District***

- Allows a county board of supervisors to establish a public health services district, to be decided by an election or by unanimous vote of the board of supervisors.
- Specifies the percentage amount the county will continue to contribute for public health expenditures if the district is formed through an election, if formed by unanimous vote of the board of supervisors or if the county does not form a district.

- Begins the phase out of city contributions to the county for public health services, so that a city or town contributing to a county's public health budget in FY 1999-2000 shall pay:
  1. In FY 2001, 100 per cent of the original public health expenditure.
  2. In FY 2002, 95 per cent of the original public health expenditure.
  3. If the district is formed or for any fiscal year after 2002, there is no city obligation to pay the county for public health expenditures.
- Authorizes the district to levy a transaction privilege tax, which shall not exceed two per cent of the tax rate applicable to each business in the district. The tax shall be levied on those doing business in the district.
- Authorizes the board to levy a public health services district tax, in lieu of a transaction privilege tax. Prohibits the tax from exceeding 25 cents per \$100 of assessed valuation levied on all property in the county and cities and towns in the district. Monies shall be deposited in a separate account.
- The district is not responsible for providing services required under AHCCCS.
- The act is effective retroactively to July 1, 2000.

**HB 2658 – Chapter 366 [E] –**  
**\*tobacco products; unsolicited**  
**delivery**

HB 2658 is an emergency measure making it unlawful for a person to deliver unsolicited tobacco products to an adult at a residential address and enacting the model statute

described in the Master Tobacco Settlement Agreement.\* The bill stipulates that a knowing violation is a Class 2 misdemeanor (up to four months in jail/up to \$750 fine for persons and up to \$10,000 for enterprises) and subjects a person to a civil penalty in an amount up to \$5,000 for each violation. Each delivery is a separate violation. An individual or entity who delivers items for hire is exempt from the act.

In addition, the bill allows the Attorney General to bring an action to recover civil penalties, taxable costs and other fees and expenses.

*\*Note: Laws 2000, Chapter 83, HB 2313 contains the provisions relating to the model statute.*

*Laws 2000, Chapter 140, SB 1146 contains the provisions of HB 2658 relating to unsolicited mailing of tobacco products, without an emergency clause.*

**SB 1043 – Chapter 336 [E] –**  
**prostate cancer task force**

SB 1043 is an emergency measure establishing an 18-member prostate cancer task force to collect information, increase public awareness and identify areas for improvement concerning prostate cancer. A report containing the findings of the task force shall be submitted to the Governor, the Speaker of the House, and the President of the Senate by November 15<sup>th</sup> of each year.

The task force terminates July 1, 2010.

**SB 1048 – Chapter 191 – \*mental**  
**health care; power of attorney**

SB 1048 authorizes a surrogate to make mental health care treatment decisions on behalf of a patient who is incapable. The bill prohibits a surrogate, who is not an agent or guardian, from admitting a patient to a level

one behavioral health facility, except for temporary placement in a facility or as provided in the guardianship and mental health power of attorney statutes.

An agent with a health care power of attorney may make mental health care decisions if the principal is incapable, but express authority to admit a principal to a level one behavioral health facility shall be stated in the health care power of attorney. The decisions are to be consistent with any advance directive.

A mental health care provider is authorized to admit a patient temporarily to a level one behavioral health facility based on the consent of a surrogate, if the admitting officer determines the patient is incapable and likely to suffer serious physical harm or illness or to harm someone else without immediate hospitalization. The patient shall be discharged unless a petition for court-ordered evaluation or for temporary guardianship is not filed within 48 hours of admission. The discharge requirement would not apply if the patient consents to voluntary treatment or if the provider is prohibited under federal law from discharging the patient.

The requirement that a mental health care agent accept the appointment in writing and language concerning a principal's grant of authority to an agent to consent to medical treatment against the principal's wishes are deleted.

Changes were made to the mental health care power of attorney form in statute.

### **SB 1067 – Chapter 304 – appropriation; psychotropic and antidepressant medications**

SB 1067 appropriates \$13.6 million from the tobacco tax medically needy account in FY 2000-01 to the Department of Health Services for non-Title XIX psychotropic and other

mental health medications. The appropriation is exempt from lapsing of appropriations.

Approximately \$13.6 million is transferred to the tobacco tax medically needy account from the children's health insurance program fund and from unexpended monies that were to be used for grants to qualifying health centers and hospitals for medical and health care services for children.

### **SB 1078 – Chapter 30 – board of pharmacy; omnibus**

SB 1078 makes changes to statutes relating to the Board of Pharmacy by requiring compressed medical gas distributors to hold a permit provided by the Board, increasing compensation for Board members for each day of Board business from \$100 to \$200 and stipulating the deputy director of the Board be a pharmacist. In addition, the bill deletes the applicant's responsibility to provide evidence to the Board of U.S. citizenship or residency for licensure.

### **SB 1080 – Chapter 222 [E] – pharmacy board; federal changes; prescriptions**

SB 1080 is an emergency measure requiring the proprietor or the manager of a pharmacy or the pharmacist to keep prescription orders for at least three years and stipulating a prescription must be signed and written within seven days of giving an emergency oral prescription for a Schedule II drug. Prescriptions issued by licensed medical practitioners from Canada may be filled by pharmacists or pharmacy interns in the United States, with the exception of prescriptions for controlled substances.

The Board may penalize a community or limited service pharmacy permit holder if more than five per cent of its prescription-only drug inventory is distributed wholesale.

The civil penalty is increased for each offense cited by the Board from \$500 to \$1000.

Pharmacy personnel are required to disclose the price difference between generic and brand name prescription drugs to the purchaser of the prescription if the prescribing doctor permits the substitution and a third party is not going to reimburse the transaction.

Schedule I, II, III and IV drug categories are broadened to include new controlled substances.

### **SB 1081 – Chapter 223 [P 108] – pharmacy permits; compressed medical gas**

SB 1081 enacts a fee cap for a compressed medical gas distributor permit of \$200 and a fee cap for a compressed medical gas supplier permit of \$100.

### **SB 1151 – Chapter 98 – deaf; commission; continuation; interpreters; licensure**

SB 1151 continues the Commission beyond the July 1, 2000 termination date to July 1, 2010 and changes the name of the Arizona Council for the Hearing Impaired to the Commission for the Deaf and Hard of Hearing, in addition to the following statutory changes:

- The court shall appoint an interpreter for a proceeding involving a juvenile whose parents are deaf.
- Starting September 1, 2007, the Commission is required to begin licensing interpreters. The Commission shall also, in collaboration with colleges and universities, develop interpreter training and degree programs and also develop

standards and procedures for the certification of sign language teachers.

- Five members are removed from the Commission.
- A person who assumes a false identity as a licensed interpreter or uses another person's license is guilty of a Class 2 misdemeanor. The penalty for this violation is up to four months in jail and up to a \$750 fine for persons or up to a \$10,000 fine for enterprises.
- The Commission is given the authority to refuse to renew a license, and may suspend or revoke a license or place a licensee on probation, issue a reprimand or impose a civil penalty.
- The requirements for licensure are established.

The Commission is required to make recommendations to the Legislature regarding a statewide newborn child hearing loss screening program. The executive director shall report annually through 2006 to the Governor, Speaker of the House and President of the Senate on licensure of interpreters.

The bill includes a delayed effective date of October 1, 2007 for the section pertaining to the licensing of interpreters and contains a retroactive effective date of July 1, 2000.

### **SB 1153 – Chapter 310 – department of health services; continuation**

SB 1153 continues the Department of Health Services and the Division of Behavioral Health Services beyond the July 1, 2000 termination date to July 1, 2010. In addition, the Division of Emergency Medical Services continues beyond its July 1, 2005 termination date to July 1, 2010.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1154 – Chapter 55 – board of psychologist examiners**

SB 1154 continues the Board of Psychologist Examiners for 10 years beyond the July 1, 2000 sunset date to July 1, 2010 and contains a retroactive effective date of July 1, 2000.

In addition, the bill changes the composition of the Board and requires the Board to issue a license to applicants from other states, U.S. territories, or Canadian provinces or territories if certain requirements are met.

### **SB 1155 – Chapter 87 – board of dental examiners**

SB 1155 continues the State Board of Dental Examiners beyond its July 1, 2000 sunset termination date to July 1, 2005.

In addition, the failure of a dentist to inform a patient of the type of material to be used as dental filling and the reason for its use is an act of unprofessional conduct. Language is deleted allowing the Governor to appoint dentists and hygienists to vacancies on the Board from lists submitted by the Arizona State Dental Association and the Arizona State Dental Hygienists' Association.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1183 – Chapter 77 – DHS; child care**

SB 1183 makes the following statutory changes to legislation relating to child care facilities and child care group homes:

- Stipulates that restrictions shall be placed upon a person's contact with children in a facility or group home if the individual is

awaiting trial for, has admitted committing or has been convicted of committing certain crimes.

- Requires records regarding facilities and group homes be made available to the public, and that licensees post a notice as to where Department of Health Services inspection reports may be viewed.
- States the circumstances in which personally identifying information may be disclosed.
- Allows a person to request a hearing when sanctioned by the Board.
- Increases the civil penalty for a child care group home from \$50 to \$100 per violation, per day the violation occurs.
- Requires the Department to notify the Attorney General or County Attorney of conditions in a child care group home that may cause serious harm to children.

### **SB 1202 – Chapter 111 [P 108] – board of athletic training**

SB 1202 establishes the five-member Board of Athletic Trainers. The executive director and the staff of the Board of Occupational Therapy shall carry out the administrative duties of the Board.

The qualifications for licensure are stipulated. A person certified by an organization recognized by the National Commission on Competency Assurance before January 1, 2004 may be exempt from examination and clinical experience requirements. Requirements relating to renewal and reinstatement of a license are stated. The letters "A.T.C." denote licensure.

The Board may conduct investigations, issue subpoenas and require a licensee to submit to examinations to determine competency and mental or physical health. If a violation

occurs, the Board may take disciplinary action. All money collected from civil penalties shall be placed in the general fund.

Maximum, nonrefundable fees are established for the following: application, certificate of renewal, application for reinstatement, and duplicate license.

SB 1202 appropriates \$60,000 from the general fund to the Board in FY 2000-01 for start-up and operation costs. To repay the appropriation, the Board must deposit 50 per cent of the monies collected by the Board in the general fund, and if it is not repaid by June 30, 2001, the Department of Administration shall transfer money from the occupational therapy fund. The remaining 50 per cent is deposited in the occupational therapy fund.

The Board terminates on July 1, 2010.

### **SB 1252 – Chapter 79 – \*boards and councils; continuation**

SB 1252 continues the Advisory Council on Aging beyond the July 1, 2000 sunset termination date to July 1, 2010.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1263 – Chapter 81 – residential care institutions; fingerprinting requirements**

SB 1263 allows a person who is awaiting trial on or who has been convicted of certain crimes\* to request a good cause exception hearing with the Board of Fingerprinting. If a good cause exception is granted, the person may continue to work in a residential or nursing care institution or home health agency. In addition, the bill:

- Eliminates a person's ability to appeal the results of a background check under the uniform administrative appeals procedures statutes.
- Requires the Board of Fingerprinting to establish rules concerning good cause exceptions, including procedures and standards for granting them.
- Appropriates \$40,000 from the fingerprint clearance card fund to the Board of Fingerprinting in FY 2000-01 for a full time employee for the Board.

*\*The offenses are: arson, contributing to the delinquency of a minor, theft, robbery, domestic violence, fraud and fraudulent schemes, assault and possession or use of a dangerous or narcotic drug.*



**Committee Chairman:** Representative Susan Gerard  
**Research Analyst:** Liana Martin

### List of Bills

\* Strike-everything amendment  
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**HB 2013 – Chapter 101 [P 108] –  
\*nursing care; assisted living;  
fees**

HB 2013 establishes additional fees for assisted living facility managers, and makes all fees collected by the Board of Nursing nonrefundable. In addition, nursing care institutions and assisted living facilities are required to offer yearly influenza and pneumonia vaccinations to all residents.

This bill contains a retroactive effective date of October 31, 1998.

**HB 2040 – Chapter 6 –  
administrative medical directives**

HB 2040 broadens the definition of who is authorized to supervise certified emergency medical technicians to include licensed medical doctors and osteopathic physicians.

**HB 2041 – Chapter 149 – \*genetic  
testing**

HB 2041 requires genetic testing information be confidential, is privileged to the person tested and shall be released only to specifically authorized individuals. A person obtaining test results is also subject to disclosure restrictions. Genetic testing information is exempt from the public records statutes and cannot be released to the public by state or local health authorities.

A court shall prevent disclosure of genetic testing information, consistent with current statute pertaining to compliance with subpoenas for health care provider records, if the information is subpoenaed or obtained pursuant to court order. Health care providers are required to respond consistently with this statute. Current statute governing release of medical records does not apply to genetic

testing information contained in a patient's medical record.

Release of genetic testing information is governed by current law concerning the release of medical records after the person's death, but a person may release, deny or limit the release of the testing results through a testamentary document.

The good faith of a health care provider is assumed, but the presumption may be rebutted by a preponderance of the evidence. A health care provider acting in good faith is not subject to civil liability.

The bill's provisions do not limit the state insurance statute provisions pertaining to confidentiality and use of genetic testing information.

A physician is required to notify a parent or legal guardian of the results of a genetic test of a child and a test cannot be performed on a child without the consent of the parent or legal guardian, except for testing under the newborn screening program. Written informed consent is required prior to genetic testing from the person to be tested or from the authorized representative.

**HB 2042 – Chapter 12 [P 108] –  
podiatry board; omnibus**

HB 2042 makes the following changes relating to the Board of Podiatry:

A licensee is required to complete 25 hours of continuing education to renew a license. The license must be renewed prior to August 31 to avoid cancellation by the Board.

Various fee caps are increased.

The Board may summarily suspend a license pending a formal hearing and a licensee subject to this suspension is entitled to a hearing within 60 days. Licensees are

accountable for unprofessional conduct performed in other states.

A licensee shall retain patient records for at least seven years and make records available to another physician or another podiatrist within 21 days of a request.

### **HB 2043 – Chapter 282 – health care insurance; medical foods**

HB 2043 specifies any contract, evidence of coverage or health benefits plan containing a prescription drug benefit include coverage of certain medical foods in order to treat inherited metabolic disorders that are tested as part of the newborn screening program. *Medical foods* are modified low protein foods and metabolic formula.

The bill requires insurance coverage of at least 50 per cent of the cost of medical food and allows a maximum annual benefit cap of \$5,000 for medical food costs. Those disability insurance policies that are single episode hospitalization-type policies are excluded from this legislation.

### **HB 2046 – Chapter 200 – nonprescription drugs; vending machines**

HB 2046 allows for the distribution of nonprescription drugs through the use of vending machines.

### **HB 2145 – Chapter 204 [P108] – BOMEX; licensure**

HB 2145 contains the following major provisions pertaining to the Allopathic Board of Medical Examiners (BOMEX):

A health care provider shall retain an adult's or child's medical records for a minimum of seven years from the last date of service, or for three years after the child's 18<sup>th</sup> birthday,

whichever is last. A nursing care institution shall retain patient records for five years after the patient's discharge or, if a minor, records are to be retained for 3 years.

The prescribing, dispensing or furnishing of a prescription is prohibited unless the physician first performs a physical examination or has some prior professional relationship with the patient.

A public member is added to the Board and deletes the member who must be a licensed professional nurse (the membership remains at 12). One of the public members shall be a licensed nurse, with at least five years experience. Compensation for Board members is increased from \$150 to \$250 per day for each day of Board business.

A six-member review committee of the full Board cannot issue a letter of reprimand.

The surrendering of a license to another licensing or regulatory jurisdiction may be considered unprofessional conduct.

The effective date for the BOMEX Internet web site containing a profile of each licensee is changed from August 31, 2000 to January 1, 2001, to correspond with the new biennial renewal system. It is an act of unprofessional conduct if a licensee provides incorrect information for the profile, and allows the Board to impose a civil penalty not to exceed \$1000 for each infraction.

The Board may issue a license under certain probationary conditions and requires the Board to notify the applicant in writing of the conditions.

The Board is authorized to charge new fees, to increase fees and to eliminate fees.

A person providing information to the Board in good faith is not subject to civil liability.

The Board or the Executive Director may require assessment of a doctor by a Board

approved rehabilitative, retraining or assessment program, at the doctor's expense. In addition, allows the Board to require a physician to successfully complete such a program through a consent agreement. Physicians participating in an education or rehabilitation program under the terms of probation are required to pay for the expenses of the program.

An active licensee may surrender a license to the Board if there is an admission in writing of being unable to safely practice medicine, unprofessional conduct or violation of statute or rule. The Board may issue a new license to a physician whose license was surrendered to the Board if the applicant demonstrates rehabilitation on the conduct that was the basis for the surrender of the license.

### **HB 2148 – Chapter 175 – ambulances; rate changes; notification**

HB 2148 requires the Department of Health Services to notify applicants and health care services organizations of emergency medical transport rate changes on or before May 1. A rate adjustment request filed before April 1 is effective June 1.

The Director may establish a rate and charge structure pursuant to Medicare guidelines.

### **HB 2153 – Chapter 324 [P 108] – board of dispensing opticians**

HB 2153 authorizes the Board of Dispensing Opticians to hire or contract with investigators, issue subpoenas for witnesses and documents, hire additional employees or contract with state agencies. Compensation for Board members is increased from \$30 to \$50 per day of Board business. In addition, changes are made to statutes pertaining to operating an optical establishment.

Fees for late renewal, name change, issuance of a duplicate license and reinstatement of a license are established. All fees are nonrefundable.

The bill makes changes regarding the time line used when requesting and conducting investigations and hearings and for license renewal. The Board may impose a civil penalty not to exceed \$1,000 in disciplining a licensee or on a person or establishment acting without a license.

### **HB 2158 – Chapter 176 – board of osteopathic examiners**

HB 2158 makes the following major changes pertaining to the Board of Osteopathic Examiners in Medicine and Surgery:

The Board is authorized to delete certain complaint records after a specified period of time. Requirements for the deletion of patient records by physicians are also listed.

Compensation for Board members is increased from \$150 to \$250 per day of Board business.

Licenses must be renewed every other year on the licensee's birthday starting January 1, 2001. If the license is not renewed within four months after this date, the license will expire.

Requirements are established in order for a physician to receive a teaching license. A physician who is licensed in Arizona or another state must open an office, appoint a place of meeting or receive calls in this state.

Board and licensee requirements regarding investigations and hearings are specified, as well as additional acts that constitute unprofessional conduct. A licensee may surrender an active license after admitting, in writing, to an act of unprofessional conduct or having violated the Board's rules.

**HB 2313 – Chapter 83 – tobacco escrow accounts; model statute**

HB 2313 enacts the model statute described in the Master Settlement Agreement entered into on November 23, 1998 between Arizona and certain U.S. tobacco product manufacturers. The bill establishes the following requirements:

Any tobacco product manufacturer selling cigarettes to consumers within Arizona shall either become a participating manufacturer in the Master Settlement Agreement or deposit monies into a qualified escrow account each April 15 in an amount equivalent to the rates paid by participating manufacturers. The specific rates for the annual escrow payments are on a per unit basis.

The interest earned on escrow monies is to be returned to the nonparticipating tobacco product manufacturer.

The release of escrow monies: is authorized to pay a judgement or settlement on any released claim brought against a tobacco product manufacturer by the state; revert to the nonparticipating tobacco product manufacturer to the extent the manufacturer placed into the escrow account an amount greater than the manufacturer would have made under the Master Settlement Agreement; or revert to the nonparticipating tobacco product manufacturer 25 years from the date the monies were placed into escrow to the extent the monies were not previously released.

Each nonparticipating tobacco product manufacturer shall certify its compliance with the escrow requirements annually to the Attorney General.

In addition, the bill establishes various penalties for noncompliance and requires civil penalties be deposited in the general fund.

*Note: The provisions of HB 2313 are also contained in Laws 2000, Chapter 366, HB 2658, which is an emergency measure.*

**HB 2415 – Chapter 156 – pharmacists; prescriptions; authority**

HB 2415 stipulates the circumstances under which a pharmacist may implement, monitor or modify a patient's drug therapy, and requires a pharmacist to make a patient's charts available to other health care providers.

The rules adopted by the Board of Pharmacy must be approved by the Allopathic Board of Medical Examiners and the Board of Osteopathic Examiners in Medicine and Surgery.

**HB 2482 – Chapter 327 – EMTs; first responders; definition**

HB 2482 makes the following changes regarding ambulance services and emergency medical services (EMS) providers:

- Centralized medical direction may be provided through a centralized medical direction communications center. The center must be staffed by at least one medical doctor or doctor of osteopathic medicine.
- Requirements are added that a person must fulfill to become a first responder.
- In an area populated with more than 10,000 people, an ambulance must be staffed with at least one emergency medical technician and one ambulance attendant, excluding the first responder.
- Pilot programs designed to improve the efficiency of ambulance inspections may be developed by the director after consultation with the EMS Council.

- The Director of the Department of Health Services (DHS) may waive or suspend protocols relating to treatments and medications. Parties interested in being notified of these changes must submit a request to the Director in writing.
- Providers having certain training and education programs may administer the test for certification or recertification after approval by the Director.
- The Director may authorize a service provider to investigate employees. During an investigation, the employer may limit the practice of an employee. At the conclusion of an investigation, the employer may make a recommendation to the Medical Director of EMS regarding the certification status of the employee.
- The membership on the EMS Council is increased by an additional two public members. Language is deleted allowing the Governor to accept recommendations for Council appointments from certain organizations.

This bill contains a non-lapsing appropriation of \$100,000 in FY 2000-01 from the EMS operating fund to DHS for a demonstration project to contract for central medical direction for emergency medical services.

### **HB 2557 – Chapter 350 – cigarettes; small packages; prohibition**

Except in certain circumstances, it is unlawful to manufacture, sell or distribute in this state a package or other container of less than 20 cigarettes or a package of roll-your-own tobacco containing less than 0.60 ounces of tobacco. This legislation does not prohibit manufacturing these products for sale or distribution out of state or in bars in this state

that admit those who are 21 years of age and older.

A violation of this section is a Class 3 misdemeanor (up to 30 days jail/up to \$500 in fines for persons, up to \$2000 in fines for enterprises, plus surcharges).

### **HB 2558 – Chapter 273 – tobacco products; schools**

HB 2558 stipulates the prohibition against tobacco products on school grounds and school related areas does not apply to adults who use tobacco products as part of school-sanctioned tobacco prevention or cessation programs.

### **HB 2647 – Chapter 365 – \*abortion; viable fetus; ultrasound; clinics**

HB 2647 deletes current statutory language pertaining to pathological examination of fetal and embryonic tissues and replaces the process with ultrasound measurement systems.

The bill prohibits a physician from knowingly performing an abortion of a viable fetus unless certain criteria are met and prohibits a person, beginning January 1, 2001, from knowingly performing an abortion after 12 weeks' gestation unless:

- An estimation of the gestational age of the fetus is performed, based on a measurement system using ultrasound.
- A copy of each ultrasound result is sent to the Department of Health Services (DHS) contractors for review for second or third trimester abortions. Requires contractors, beginning January 1, 2001, to report monthly to the DHS Director regarding ultrasound results.

The bill contains the following other provisions:

- Clarifies if a doctor is not present at an abortion clinic, then another health professional shall be present and remain until each patient is discharged and a physician performing an ultrasound examination does not need documented evidence of coursework in the operation of ultrasound equipment.
- Requires a licensed health professional from the abortion clinic to make a good faith effort to contact the patient, with the patient's consent, 24 hours after surgery to assess recovery.
- Changes various dates pertaining to ultrasound results (formerly pathological examination of fetal and embryonic tissues).
- Adds that rules adopted pursuant to this act are severable.
- Changes the due date for an Auditor General's evaluation of the first two years of the operation of the ultrasound review process from December 31, 2002 to December 31, 2003.
- Extends the time to December 31, 2001 for the Health Committee of Reference to make recommendations pertaining to facilities that are exempt from DHS licensure.
- Exempts DHS from rule making under the administrative procedures act until March 31, 2001 in order to adopt rules required pursuant to this act.
- The act adds a retroactive effective date of July 1, 2000 for the section pertaining to review of ultrasound results.

## **HB 2649 – Chapter 11 – public health; boards; districts.**

HB 2649 eliminates non-utilized health department models (city, city-county or multi-county) and leaves the authority for public health services with the county or with a public health services district.

### ***Provisions***

- Prohibits a county, which did not charge its municipalities for public health services prior to January 1, 1999, from doing so in the future. Prohibits a county board of supervisors from charging a city or town for public health services unless a valid intergovernmental agreement is in effect during the period being charged.
- Requires the director of a county health department to provide equal public health services to all residents of the county consistent with grant requirements and allows a county to address specific public health needs that are unique to an area or condition.
- Allows a city or town to provide services beyond the county's basic level of service and to use any provider to deliver those services.

### ***Public Health Services District***

- Allows a county board of supervisors to establish a public health services district, to be decided by an election or by unanimous vote of the board of supervisors.
- Specifies the percentage amount the county will continue to contribute for public health expenditures if the district is formed through an election, if formed by unanimous vote of the board of supervisors or if the county does not form a district.

- Begins the phase out of city contributions to the county for public health services, so that a city or town contributing to a county's public health budget in FY 1999-2000 shall pay:
  1. In FY 2001, 100 per cent of the original public health expenditure.
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  3. If the district is formed or for any fiscal year after 2002, there is no city obligation to pay the county for public health expenditures.
- Authorizes the district to levy a transaction privilege tax, which shall not exceed two per cent of the tax rate applicable to each business in the district. The tax shall be levied on those doing business in the district.
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- The district is not responsible for providing services required under AHCCCS.
- The act is effective retroactively to July 1, 2000.

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**\*tobacco products; unsolicited**  
**delivery**

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The task force terminates July 1, 2010.

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one behavioral health facility, except for temporary placement in a facility or as provided in the guardianship and mental health power of attorney statutes.

An agent with a health care power of attorney may make mental health care decisions if the principal is incapable, but express authority to admit a principal to a level one behavioral health facility shall be stated in the health care power of attorney. The decisions are to be consistent with any advance directive.

A mental health care provider is authorized to admit a patient temporarily to a level one behavioral health facility based on the consent of a surrogate, if the admitting officer determines the patient is incapable and likely to suffer serious physical harm or illness or to harm someone else without immediate hospitalization. The patient shall be discharged unless a petition for court-ordered evaluation or for temporary guardianship is not filed within 48 hours of admission. The discharge requirement would not apply if the patient consents to voluntary treatment or if the provider is prohibited under federal law from discharging the patient.

The requirement that a mental health care agent accept the appointment in writing and language concerning a principal's grant of authority to an agent to consent to medical treatment against the principal's wishes are deleted.

Changes were made to the mental health care power of attorney form in statute.

### **SB 1067 – Chapter 304 – appropriation; psychotropic and antidepressant medications**

SB 1067 appropriates \$13.6 million from the tobacco tax medically needy account in FY 2000-01 to the Department of Health Services for non-Title XIX psychotropic and other

mental health medications. The appropriation is exempt from lapsing of appropriations.

Approximately \$13.6 million is transferred to the tobacco tax medically needy account from the children's health insurance program fund and from unexpended monies that were to be used for grants to qualifying health centers and hospitals for medical and health care services for children.

### **SB 1078 – Chapter 30 – board of pharmacy; omnibus**

SB 1078 makes changes to statutes relating to the Board of Pharmacy by requiring compressed medical gas distributors to hold a permit provided by the Board, increasing compensation for Board members for each day of Board business from \$100 to \$200 and stipulating the deputy director of the Board be a pharmacist. In addition, the bill deletes the applicant's responsibility to provide evidence to the Board of U.S. citizenship or residency for licensure.

### **SB 1080 – Chapter 222 [E] – pharmacy board; federal changes; prescriptions**

SB 1080 is an emergency measure requiring the proprietor or the manager of a pharmacy or the pharmacist to keep prescription orders for at least three years and stipulating a prescription must be signed and written within seven days of giving an emergency oral prescription for a Schedule II drug. Prescriptions issued by licensed medical practitioners from Canada may be filled by pharmacists or pharmacy interns in the United States, with the exception of prescriptions for controlled substances.

The Board may penalize a community or limited service pharmacy permit holder if more than five per cent of its prescription-only drug inventory is distributed wholesale.

The civil penalty is increased for each offense cited by the Board from \$500 to \$1000.

Pharmacy personnel are required to disclose the price difference between generic and brand name prescription drugs to the purchaser of the prescription if the prescribing doctor permits the substitution and a third party is not going to reimburse the transaction.

Schedule I, II, III and IV drug categories are broadened to include new controlled substances.

### **SB 1081 – Chapter 223 [P 108] – pharmacy permits; compressed medical gas**

SB 1081 enacts a fee cap for a compressed medical gas distributor permit of \$200 and a fee cap for a compressed medical gas supplier permit of \$100.

### **SB 1151 – Chapter 98 – deaf; commission; continuation; interpreters; licensure**

SB 1151 continues the Commission beyond the July 1, 2000 termination date to July 1, 2010 and changes the name of the Arizona Council for the Hearing Impaired to the Commission for the Deaf and Hard of Hearing, in addition to the following statutory changes:

- The court shall appoint an interpreter for a proceeding involving a juvenile whose parents are deaf.
- Starting September 1, 2007, the Commission is required to begin licensing interpreters. The Commission shall also, in collaboration with colleges and universities, develop interpreter training and degree programs and also develop

standards and procedures for the certification of sign language teachers.

- Five members are removed from the Commission.
- A person who assumes a false identity as a licensed interpreter or uses another person's license is guilty of a Class 2 misdemeanor. The penalty for this violation is up to four months in jail and up to a \$750 fine for persons or up to a \$10,000 fine for enterprises.
- The Commission is given the authority to refuse to renew a license, and may suspend or revoke a license or place a licensee on probation, issue a reprimand or impose a civil penalty.
- The requirements for licensure are established.

The Commission is required to make recommendations to the Legislature regarding a statewide newborn child hearing loss screening program. The executive director shall report annually through 2006 to the Governor, Speaker of the House and President of the Senate on licensure of interpreters.

The bill includes a delayed effective date of October 1, 2007 for the section pertaining to the licensing of interpreters and contains a retroactive effective date of July 1, 2000.

### **SB 1153 – Chapter 310 – department of health services; continuation**

SB 1153 continues the Department of Health Services and the Division of Behavioral Health Services beyond the July 1, 2000 termination date to July 1, 2010. In addition, the Division of Emergency Medical Services continues beyond its July 1, 2005 termination date to July 1, 2010.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1154 – Chapter 55 – board of psychologist examiners**

SB 1154 continues the Board of Psychologist Examiners for 10 years beyond the July 1, 2000 sunset date to July 1, 2010 and contains a retroactive effective date of July 1, 2000.

In addition, the bill changes the composition of the Board and requires the Board to issue a license to applicants from other states, U.S. territories, or Canadian provinces or territories if certain requirements are met.

### **SB 1155 – Chapter 87 – board of dental examiners**

SB 1155 continues the State Board of Dental Examiners beyond its July 1, 2000 sunset termination date to July 1, 2005.

In addition, the failure of a dentist to inform a patient of the type of material to be used as dental filling and the reason for its use is an act of unprofessional conduct. Language is deleted allowing the Governor to appoint dentists and hygienists to vacancies on the Board from lists submitted by the Arizona State Dental Association and the Arizona State Dental Hygienists' Association.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1183 – Chapter 77 – DHS; child care**

SB 1183 makes the following statutory changes to legislation relating to child care facilities and child care group homes:

- Stipulates that restrictions shall be placed upon a person's contact with children in a facility or group home if the individual is

awaiting trial for, has admitted committing or has been convicted of committing certain crimes.

- Requires records regarding facilities and group homes be made available to the public, and that licensees post a notice as to where Department of Health Services inspection reports may be viewed.
- States the circumstances in which personally identifying information may be disclosed.
- Allows a person to request a hearing when sanctioned by the Board.
- Increases the civil penalty for a child care group home from \$50 to \$100 per violation, per day the violation occurs.
- Requires the Department to notify the Attorney General or County Attorney of conditions in a child care group home that may cause serious harm to children.

### **SB 1202 – Chapter 111 [P 108] – board of athletic training**

SB 1202 establishes the five-member Board of Athletic Trainers. The executive director and the staff of the Board of Occupational Therapy shall carry out the administrative duties of the Board.

The qualifications for licensure are stipulated. A person certified by an organization recognized by the National Commission on Competency Assurance before January 1, 2004 may be exempt from examination and clinical experience requirements. Requirements relating to renewal and reinstatement of a license are stated. The letters "A.T.C." denote licensure.

The Board may conduct investigations, issue subpoenas and require a licensee to submit to examinations to determine competency and mental or physical health. If a violation

occurs, the Board may take disciplinary action. All money collected from civil penalties shall be placed in the general fund.

Maximum, nonrefundable fees are established for the following: application, certificate of renewal, application for reinstatement, and duplicate license.

SB 1202 appropriates \$60,000 from the general fund to the Board in FY 2000-01 for start-up and operation costs. To repay the appropriation, the Board must deposit 50 per cent of the monies collected by the Board in the general fund, and if it is not repaid by June 30, 2001, the Department of Administration shall transfer money from the occupational therapy fund. The remaining 50 per cent is deposited in the occupational therapy fund.

The Board terminates on July 1, 2010.

### **SB 1252 – Chapter 79 – \*boards and councils; continuation**

SB 1252 continues the Advisory Council on Aging beyond the July 1, 2000 sunset termination date to July 1, 2010.

The bill contains a retroactive effective date of July 1, 2000.

### **SB 1263 – Chapter 81 – residential care institutions; fingerprinting requirements**

SB 1263 allows a person who is awaiting trial on or who has been convicted of certain crimes\* to request a good cause exception hearing with the Board of Fingerprinting. If a good cause exception is granted, the person may continue to work in a residential or nursing care institution or home health agency. In addition, the bill:

- Eliminates a person's ability to appeal the results of a background check under the uniform administrative appeals procedures statutes.
- Requires the Board of Fingerprinting to establish rules concerning good cause exceptions, including procedures and standards for granting them.
- Appropriates \$40,000 from the fingerprint clearance card fund to the Board of Fingerprinting in FY 2000-01 for a full time employee for the Board.

*\*The offenses are: arson, contributing to the delinquency of a minor, theft, robbery, domestic violence, fraud and fraudulent schemes, assault and possession or use of a dangerous or narcotic drug.*

**Committee Chairman:** Representative Mark Anderson  
**Research Analyst:** Mark Barry

### List of Bills

\* Strike-everything amendment  
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### **HB 2181 – Chapter 206 – senior residential entrance fee contracts**

HB 2181 mandates that each senior residential home provider register with the Department of Insurance, pay a registration fee to the Department and provide the Department with its annual financial report within 180 days of the end of each fiscal year. In addition, the Department must cancel registration for any provider that fails to file its annual financial report within the specified time period. The Department is required to inform the Attorney General's Consumer Fraud section about those providers whose registration has been cancelled, whose disclosure form has not been filed with the Department or whose financial report reveals substantial evidence that they may be unable to continue operations.

### **HB 2199 – Chapter 393 – workers' compensation; Arizona works participants**

HB 2199 allocates \$2,909,300 from the federal Temporary Assistance for Needy Families (TANF) block grant to the Department of Economic Security (DES) for FY 2000-01.

#### ***Provisions***

- \$1,000,000 for the new Community-based Marriage and Communication Skills Program.
- \$75,000 to provide vouchers to married or cohabiting parents whose income is less than 150 per cent of federal poverty level (FPL) to attend marriage skills training courses.
- \$75,000 for the development and printing of the marriage handbook by the Marriage and Communication Skills Commission.

- \$500,000 for an advertising campaign to supplement monies used for teen pregnancy prevention (abstinence education).
- \$859,300 for monthly subsidies to clients in DES's permanent guardianship program.
- \$200,000 for perinatal substance abuse treatment and services for persons whose family income does not exceed 200 per cent FPL.
- \$200,000 for Food Stamp outreach and education.
- Creates an advisory Marriage and Communication Skills Commission which shall review plans submitted to DES by applicant community-based organizations for participation in the program and recommend those eligible to receive funding.
- Clarifies that the Wheels to Work program shall serve current and former TANF clients and parents whose household income is at or below 150 per cent FPL; however, current and former TANF clients will have priority.
- Expands Short-Term Crisis Services emergency assistance to individuals currently being sanctioned under TANF.
- Authorizes an increase in the eligibility period for transportation and post-employment education and training for TANF recipients from the present one year to two years.
- Requires state maintenance of effort dollars be used for TANF recipients who receive less than \$100 a month, which removes them from the 60-month "time clock" of TANF eligibility.

- Requires levels 3 and 4 of Arizona Works participants to be covered by workers compensation.

**HB 2291 – Chapter 362 –  
\*domestic violence; federal  
funds; appropriation**

HB 2291 appropriates \$2,000,000 from the Temporary Assistance to Needy Families (TANF) block grant in FY 2000-01 to the Department of Economic Security (DES) for emergency shelter services for domestic violence victims and their children who qualify for assistance under Title 46, Chapter 2. The bill also appropriates \$1,000,000 from the TANF block grant to DES for legal and lay advocacy services for domestic violence victims and their children.

**HB 2305 – Chapter 215 – child  
custody; modification; petitions**

HB 2305 revises uniform laws relating to child custody to comply with the federal Parental Kidnapping Prevention Act by limiting child custody jurisdiction to one state and adding interstate enforcement provisions. Requests for modification or clarification of visitation orders are exempt from the procedural requirements applicable to requests to modify a custody decree. The bill is effective from and after December 31, 2000.

**HB 2506 – Chapter 347 –  
dissolution of marriage; liquid  
assets**

HB 2506 provides that in a proceeding for divorce, separation, annulment or maintenance of support following marriage dissolution, either spouse may move for equal division of the liquid assets of the marital

property. Unless the court finds good cause not to do so, it must equally divide the liquid assets of the marital property that existed as of the date the petition was filed. The motion must be accompanied by an affidavit describing the liquid assets of the parties, the factual basis for the motion and the amounts requested. The bill provides that an order for equal possession of the liquid assets of the marital property does not prejudice any final division of the marital community.

**HB 2689 – Chapter 367 –  
\*appropriation; high technology  
clusters**

HB 2689 appropriates \$100,000 from the general fund in FY 2000-01 to the Department of Commerce for grants of up to \$50,000 to high technology clusters and implementing organizations operating under the Governor's Strategic Partnership for Economic Development. Requires a dollar-for-dollar match and that the funds may only be used for capital formation, workforce development, telecommunications infrastructure build-out, high technology image marketing enhancement and technology transfer.

**SB 1063 – Chapter 164 –  
\*government mall office  
buildings**

SB 1063 permits the Director of the Department of Administration (DOA) to enter into a lease-to-own transaction for the construction of two office buildings located on the Capitol Mall. The bill specifies authorized conditions of the lease agreement, including the transfer of ownership of the office facilities from the private entity to the state; exempts the buildings from property taxation during construction and while occupied by the state for governmental

activity and clarifies that the transaction is subject to the approval of the Joint Committee on Capital Review.

### **SB 1072 – Chapter 20 – joint legislative committee on homelessness**

SB 1072 extends the Joint Legislative Committee on Homelessness from December 31, 2000 to December 31, 2002.

### **SB 1077 – Chapter 281 – \*long term care services; appropriation**

SB 1077 permits the Department of Economic Security (DES) to use up to \$2,374,400 of the monies appropriated to it in FY 1999-00 to pay outstanding claims for the Long-term Care System Fund for FY 1998-99. In addition, DES is required to apply to the federal government for a revised, higher capitation rate for long-term care services provided by DES in FY 1998-99.

### **SB 1160 – Chapter 369 – \*child welfare omnibus**

#### ***Provisions relating to adoption***

- Eliminates the consent-to-adoption requirement from a person who has been excluded as the father of the child.
- Permits the court to schedule and consolidate permanency, termination of parental rights and permanent guardianship hearings.
- Expands adoption procedures to ensure compliance with the Indian Child Welfare Act.

#### ***Provisions relating to child placement***

- Eliminates the court-ordered requirement for a child in an out-of-home placement.
- Eliminates voluntary placement as grounds for termination of the parent-child relationship.

#### ***Provisions relating to medical examinations for dependent children***

- Establishes a pilot program for children named in a dependency petition or accepted into voluntary placement to receive a complete medical examination, including a screening for behavioral health needs, within 14 days.
- Requires the Department of Economic Security (DES) to maintain and expedite the exam results and to make referrals for further medical evaluations and treatment.
- Provides the medical examinations pilot program is effective from and after December 31, 2000.

#### ***Provisions relating to the Family Group Decision Making Program***

- Establishes the Family Group Decision Making Program within DES to help families find solutions to problems that threaten their stability.
- Requires DES to develop a comprehensive plan and submit it to the Joint Legislative Committee on Children and Family Services on or before January 1, 2001.

#### ***Provisions relating to placement of children who have behavioral health problems***

- Establishes a new article in Title 8 relating to children's mental health services.
- Defines services, assessments, who is involved in the placement of a child with a mental disorder and when residential



treatment services are not applicable to a child.

- Outlines the procedures and guidelines for the courts and entities involved when a child with a mental disorder is assessed and services are established for the child.
- Requires the child's attorney, when possible, to communicate to the child the treatment recommendations and to advise the child of the child's right to request a hearing.

*Provisions relating to the Adoption and Foster Care Improvement Committee*

- Requires the Committee to develop an implementation plan for an administrative adoptive home certification pilot project to replace court certification.

**SB 1191 – Chapter 13 – divorce: creditors**

SB 1191 requires superior courts to inform parties involved in dissolution of marriage or legal separation of their continuing joint responsibility to creditors for community debts. The court's authority is expanded to impose liens and sanctions and to transfer property. The bill requires the court to issue a notice to the respondent that: a creditor is not bound by the court assignment of debts; a party may request the court to impose a lien on the responsible party to secure payment of assigned debts; and a party may request a court order requiring a credit reporting agency to provide a copy of the spouse's credit report.

SB 1191 requires the court to order a credit-reporting agency to provide a party with a copy of the spouse's credit report upon request. The bill permits:

1. The parties to a divorce or legal separation to petition the court to require a debt

distribution plan that specifies any agreements between parties and with creditors; and

2. The court under certain circumstances to transfer property and impose sanctions on a party found in contempt of a debt assignment order.

Creditors are required to provide specified information on joint debts and a spouse's debt within 30 days of receiving a written request from a party.

**SB 1280 – Chapter 382 [LIV] – dependency: employment: substance abuse treatment**

SB 1280 allocates \$10,000,000 for FY 2000-01 from the federal Temporary Assistance for Needy Families (TANF) block grant, to be jointly administered by the Department of Economic Security (DES) and the Department of Health Services (DHS), for substance abuse services to families reported to Child Protective Services and to TANF recipients. The bill:

- Establishes a joint substance abuse treatment fund for program development, contracted substance abuse treatment and support services and program evaluation.
- Allocates \$10 million from the TANF block grant to the joint substance abuse treatment fund in FY 2000-01. Monies are continuously appropriated from the fund.
- Specifies two populations to be served through this fund: parents, guardians or custodians whose substance abuse is a significant barrier to maintaining, preserving or reunifying the family; and recipients of TANF whose substance abuse is a significant barrier to maintaining or obtaining employment.

- Allocates no more than five per cent of funds for program development and 10 per cent of funds for program evaluation.
- Prohibits use of these funds for medical treatment or to supplant other available revenues.
- Requires DES and DHS to begin providing services by March 1, 2001.

#### *Line item veto*

The Governor exercised the line-item veto to remove the \$10 million TANF allocations for substance abuse services for each of FY 2001-02 and FY 2002-03.

#### **SB 1303 – Chapter 122 – domestic violence program consolidation**

SB 1303 establishes a task force to develop a consolidated state plan to ensure coordinated and efficient use of resources to address domestic violence and sexual assault prevention, prosecution and supportive services to victims. The task force is required to submit a plan and report to the Governor, President of the Senate and Speaker of the House by December 1, 2000.

#### **SB 1306 – Chapter 331 – domestic violence shelter fund: report**

SB 1306 changes the methods, limits and notice requirements for the Department of Economic Security (DES) to allocate funds for domestic violence shelters. The bill changes the allocation of funds but not total funding. The bill eliminates the funding limit of \$100,000 per shelter per year as well as the

funding preference for shelters that provide a broad range of services and shelters that use volunteers. It requires DES, in consultation with a state coalition against domestic violence, to develop a method of allocating funds to shelters based on service need, resources, location and population and to allocate funds based on the method developed with the coalition.

#### **SB 1312 – Chapter 248 – joint committee on hunger**

SB 1312 reestablishes the Joint Legislative Committee on Hunger to serve as a public forum to discuss and review issues relating to food security services and programs and to ensure efficient and coordinated use of resources.

#### **SB 1345 – Chapter 42 – domestic violence: pregnant victim: penalty**

SB 1345 increases by up to two years the maximum penalty a court may impose on a defendant if the defendant committed a felony offense against a pregnant victim and knew of the pregnancy. In addition, it permits a person convicted of a violation of domestic violence statutes to petition for a review of sentence if the person meets several requirements. The Department of Corrections is required to establish a procedure for providing notice to inmates of the eligibility requirements for sentence review and of the 90-day petition deadline. The Board of Executive Clemency is required to hold a hearing at which the victim's family, the prosecutor and sentencing judge are given notice and an opportunity to be heard if the Board determines the petition to be sufficient.

**Committee Chairman:**      **Representative Barry Wong**  
**Research Analyst:**      **Todd Sanders**

### **List of Bills**

\*              Strike-everything amendment

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### **HB 2068 – Chapter 392 – appropriation; national law center**

HB 2068 appropriates \$100,000 from the Commerce and Economic Development Commission Fund in FY 2000-01 to the Department of Commerce for the National Law Center for Inter-American Free Trade.

### **HB 2172 – Chapter 212 – business entities**

HB 2172 makes numerous conforming changes to the statutes governing corporations and limited liability companies (LLC).

#### ***Provisions***

- Removes the 25-year time limit for a corporation amending its corporate life.
- Allows cooperatives to form with only one incorporator.
- Provides a simple process for LLCs to make non-substantive corrections to documents submitted to the ACC for filing.
- Eliminates the need for the ACC to issue a special certificate of merger when filing articles of merger for LLCs.

### **HB 2282 – Chapter 395 – industrial financing; private schools**

HB 2282 allows all private schools, private and non-sectarian organizations established for the purpose of funding technological education school districts, to apply for and receive industrial development financing.

Stipulates that a private school must be non-sectarian to be eligible to receive

industrial development financing. HB 2282 also states that qualified student loan projects may request allocations from the second lottery for private activity bonds.

### **HB 2287 – Chapter 214 – \*renewable energy; tax incentive**

HB 2287 provides several tax incentives for renewable energy equipment.

#### ***Provisions***

- Defines *renewable energy equipment* as electric, gas distribution or combination electric and gas distribution property located in Arizona that is used or useful for the generation, storage, transmission or distribution of electric power, energy or fuel derived from solar, wind or other non-petroleum renewable sources. Renewable energy equipment does not include materials, supplies or licensed vehicles.
- Changes the valuation methodology for renewable energy equipment to 20 per cent of the depreciated cost of the equipment. The change is effective through December 31, 2011.
- Provides a transaction privilege tax (TPT) exemption for the retail cost of a solar device to the prime contractor who supplies and installs the solar device. Limits the exemption to \$5,000 for each solar device.
- Requires a contractor wishing to be exempt from the TPT to register with the Department of Revenue as a solar contractor.
- Stipulates that, by registering as a solar contractor, the contractor agrees to make its books open to the Department for review.

***Energy Efficiency Homes***

- Provides an income tax subtraction not to exceed five per cent of the purchase price of an energy efficient home, excluding commissions, taxes, interest, points, or any other brokerage charges. The home must be a single family residence, condominium, or townhouse that exceeds the 1995 model energy code by fifty per cent or more as determined by an approved rating program.
- Adds that the rating program must meet the United States Department of Energy rating system guidelines or guidelines approved by the Arizona Department of Commerce Energy Office. The Department of Commerce Energy Office shall review, on an annual basis, the qualifying guidelines for eligibility.
- Stipulates that the Energy Office shall increase the qualifying rating by five per cent if the number of homes eligible for the income tax subtraction exceeds five per cent of the new homes built in a single year.
- Specifies that the builder must make available to the buyer a certificate indicating the purchase price of the residence and that the residence qualifies for the tax subtraction.
- Provides that the subtraction may be transferred.
- Contains a delayed effective date for the energy efficient home subtraction of December 31, 2001.

**HB 2442 – Chapter 239 –  
technology training; tax credit**

HB 2442 authorizes the Department of Commerce to establish a program that will

encourage employers to offer continuing technology skills training to their employees.

***Provisions***

- Provides an income tax credit that is allowed for taxable years beginning from and after December 31, 2000 and ending on January 1, 2006.
- Stipulates that the income tax credit to the employer is 50 per cent of the actual amount spent with a maximum of \$1,500 per employee.
- Limits the number of eligible tax credits to a maximum of 20 employees.
- Requires that if the total amount of qualifying tax credits exceed \$2,500,000 the Department will reduce the tax credit allowed to each taxpayer.

**SB 1131 – Chapter 110 –  
technology account; licensing**

SB 1131 designates a separate account in the Department of Administration's (ADOA) technology and telecommunications fund as the statewide technology license agreement (STLA) account.

***Provisions***

- Appropriates the monies in the account to the ADOA for use by the Government Information Technology Agency (GITA).
- Requires the Director of GITA and the Director of ADOA to jointly report on the activities of the STLA account to JLBC, with an estimation of cost savings, by January 1, 2002 and January 1, 2003 prior to expenditure of STLA account monies.
- Contains a retroactive date of April 1, 2000.
- Repeals the Act on July 1, 2003.

**SB 1256 – Chapter 80 –  
consumer services; fees**

SB 1256 provides that a seller may impose a delinquency fee on a consumer that has an unpaid balance of more than \$10 if certain conditions are met.

***Provisions***

- Authorizes a seller to impose a collection fee that is not more than \$10 in addition to the delinquency fee.
- Exempts consumer services that are subject to the jurisdiction of the Corporation Commission.
- Provides that the notice to consumers regarding the imposition of late fees be clear, conspicuous and in 10-point bold type.
- Includes a retroactive effective date of December 31, 1999.

**SB 1260 – Chapter 130 –  
industrial development; projects**

SB 1260 makes several changes to the statutes regarding industrial development projects.

***Provisions***

- Redefines *project* for the purpose of industrial development financing.
- Includes facilities owned by non-profit organizations as those eligible for industrial development financing.
- Requires that the facilities owned by non-profit organizations receiving industrial development financing must be primarily engaged in delivering community services on that property.

**Committee Chairman:** Representative Marilyn Jarrett  
**Research Analyst:** Jodi Jerich

### List of Bills

\* Strike-everything amendment  
 [E] Emergency clause

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### **HB 2090 – Chapter 283 – slumlords; statutory cleanup**

HB 2090 clarifies that a landlord, whose residential rental property has been declared a slum property, may appeal the final administrative decision in superior court pursuant to a statutory right to appeal an administrative decision under Title 12.

The bill further stipulates that when a city or town compels an owner, lessee or occupant of property to remove rubbish, trash or other debris that constitutes a hazard to public health and safety:

- Notice may be by personal service or by certified mail.
- If notice is served by certified mail, notice shall be sent to the owner, the owner's authorized agent or the owner's statutory agent, as well as to the occupant or lessee of the property and to the address to which the tax bill for the property was last mailed.
- Owner, lessee or occupant may request a hearing by the governing body regarding the removal or abatement of the trash or debris.

### **HB 2097 – Chapter. 227 – laser pointers**

HB 2097 makes aiming a laser pointer at a peace officer a Class 1 misdemeanor (up to 6 months/\$2,500). A person commits the act of aiming a laser pointer at a peace officer if the person intentionally or knowingly directs a beam of light from an operating laser pointer at another individual the person knows to be a peace officer. The bill defines laser pointer as, “any device that consists of a high or low powered visible light beam for aiming, targeting or pointing out features.”

### **HB 2103 – Chapter 269 – victims’ rights; vulnerable adults**

HB 2103 amends a portion of the Victims’ Rights Implementation Act to allow the court to appoint a representative for a vulnerable adult who is a victim of crime to exercise the victim’s rights on their behalf. Currently, the statute allows the court to appoint a representative for a minor who is a crime victim. Also, HB 2103 adds the definition of *release* to clarify that release includes the transfer from one custodial agency to another custodial agency. Current law requires a custodial agency to notify a victim when a defendant is *released* (A.R.S. 13-4407).

#### ***Provisions***

- When appointing a representative for a vulnerable adult victim, the court shall consider the same criteria it uses when appointing a representative for a minor victim.
- Amends the definition of *custodial agency* to include the Department of Juvenile Corrections and secure mental health facilities.
- Stipulates that the definition of *vulnerable adult* in this section has the same meaning as prescribed in A.R.S. 13-3623. (A.R.S. 13-3623 defines *vulnerable adult* to mean an individual who is eighteen years of age or older and who is unable to protect himself from abuse, neglect or exploitation by others because of a mental or physical impairment.)
- Permits a prosecutor to inform a victim of the status of a case without violating laws prohibiting the disclosure of an indictment, information or complaint before the defendant has been served notice or the disclosure of any grand jury proceeding [such violations are a Class 1 misdemeanor (up to 6 months/\$2,500)].



### **HB 2109 – Chapter 72 – injunction against workplace harassment**

HB 2109 permits an employer to petition the court for an injunction against workplace harassment to cover the workplace and all persons while on the business property or while performing official work duties.

#### ***Provisions***

- Allows an employer to petition the justice, municipal or superior court for an injunction against workplace harassment if: (1) the defendant has damaged or threatened to damage the employer's property; or (2) the defendant has harassed the employer, the employer's employees or any other person at the employer's place of business and the harassment occurs while the employee or other person is at the employer's place of business or is performing official work duties.
- In issuing the injunction, a court may: (1) restrain the defendant from coming near the employer's business; (2) restrain the defendant from contacting the employer or the employees or other persons while the person is at the place of business or performing official work duties; or (3) grant other relief necessary.
- The ability to file an injunction does not modify the duty of the employer to provide a safe workplace.
- Requires the employer to make a good faith effort to notify a person that the employer intends to file a petition for an injunction if the employer has knowledge that a specific person is the target of harassment.

- Provides immunity from civil liability of an employer for any act or failure to act under this section.
- Permits an action or statement by an employer relating to seeking or failing to seek an injunction to be used for impeachment purposes.
- Prohibits an employer from seeking an injunction for a purpose for which the injunction was not designed.
- Clarifies that a court may not issue an injunction to prohibit constitutionally protected speech or other activities, including actions involving labor disputes.
- Defines *employer* as an individual, partnership, association or corporation or a person or group or persons who act, directly or indirectly, on behalf of or in the interest of an employer and with the consent of the employer. Employer includes the state, its political subdivisions, school districts and any special district.
- Defines *harassment* as a single threat or act of physical harm or damage or a series of acts over any period of time that would cause a reasonable person to be seriously alarmed or annoyed.
- Provides an effective date of December 31, 2000.

### **HB 2126 – Chapter 361 – domestic violence**

HB 2126 makes numerous changes to the statutes relating to domestic violence including: (1) the definition of *domestic violence*; (2) the relationship of parties included in the domestic violence statute; (3) the service of orders and injunctions; and (4) the conformity between the injunction against

harassment statute and the orders of protection statute.

### ***Provisions***

- Prohibits the court from requiring petitioners to perform community service as a condition to waive the filing fees.
- Prohibits the police, sheriff and constable from requiring the advanced payment of fees for service of process of an injunction.
- Upon petitioner's request, the police, a constable or the sheriff may serve the injunction.
- Permits correctional officers to serve injunctions against harassment and orders of protection.
- Adds as an aggravating factor for sentencing of a felony conviction whether a domestic violence offense was committed in the presence of a child.
- Expands the list of relationships for domestic violence to be present, including:
  1. Stepparents and step-grandparents.
  2. Relationships where a victim and the defendant are related to each by *court order* in addition to being related by blood.
  3. Persons who reside or have resided with a child when the child's blood relative also lived in that residence and the child's blood relative and defendant are of the opposite sex (e.g., the mother's live-in boyfriend who is not the father of the child).
- Repeals an inconsistent version of the domestic violence statute (A.R.S. 13-3601).

- Permits a court to impose alternative sanctions other than a domestic violence treatment program if the person has already been ordered to complete a domestic violence treatment program.
- Clarifies that a court may order supervised probation for a second misdemeanor domestic violence offense.
- Allows a party, if accompanied by a police officer, to return to the residence one time, to retrieve belongings when the court issues an order of protection and grants exclusive possession of the residence to one party.
- Authorizes municipal and justice courts to hear all matters relating to orders of protection as long as the court has no notice that another related action is pending in superior court.

### **HB 2128 – Chapter 168 – \*victim compensation; unclaimed restitution**

HB 2128 directs the Department of Revenue to deposit unclaimed monies collected from abandoned victim restitution payments into the victim compensation and assistance fund. Currently, unclaimed victim restitution payments, like other unclaimed monies, are deposited into various funds, including the general fund. HB 2128 has a general fund impact that will vary annually, depending on how much victim restitution monies are abandoned.

### **HB 2130 – Chapter 323 – justices of the peace; jurisdiction**

HB 2130 increases the jurisdiction of the justice of the peace court from \$5,000 to \$10,000 or less. HB 2130 also makes jurisdiction concurrent between the justice of

the peace court and the superior court when the amount involved is between \$5,000 and \$10,000.

### **HB 2293 – Chapter 235 – campaign finance; electronic filings**

HB 2293 requires campaign finance reports to be filed electronically with the Secretary of State.

#### ***Provisions***

- Requires statements, designations and reports be filed electronically using software provided and approved by the Secretary of State.
- Requires the Secretary of State to maintain a system for electronic collection, filing and dissemination of all materials filed.
- States that if the electronic filings are complete and correct then they are deemed to have complied with the following:
  1. The filing requirements of Title 16, Chapter 6.
  2. The filing be made under oath or submitted with a written signature.
- Clarifies any electronic filing is filed under penalty of perjury.
- States that a person or political party who does not comply with the reporting requirements is subject to penalties and enforcement provided by law.
- Permits the Secretary of State to require a written or printed copy of statements, designations and reports during the implementation of the electronic system.

- Requires the Secretary of State to adjust campaign contribution limits according to the Consumer Price Index for all urban consumers, U.S. city average, published by the U.S. Department of Labor, Bureau of Labor Statistics.

### **HB 2294 – Chapter 18 – lobbyist filings; notarization**

HB 2294 allows a lobbyist to register or file reports electronically with the Secretary of State.

#### ***Provisions***

- States that any required report or registration form can be filed electronically if the format is approved by the Secretary of State.
- Allows the Secretary of State to also require written or printed copies of the reports or registration forms.
- Stipulates that electronic filings are not required to bear a notarized signature but they will be filed under penalty of perjury.
- States that if the filing is formatted properly and the information is correct and complete as prescribed by this section, then the filing is sufficient to comply with the requirements prescribed by Title 41, Article 7.

### **HB 2394 – Chapter 49 – search warrants; issuance; service**

HB 2394 allows a police officer to execute a search warrant without announcing the officer's purpose if the officer reasonably believes such notice would endanger his or her safety. It also allows a magistrate to authorize a *no knock* search warrant if the announcement would endanger the safety of any person or destroy evidence.

***Provisions***

- States an officer may break into a building, premises or vehicle to execute a search warrant when:
  1. The officer receives no answer or is refused admittance after giving notice of the officer's authority and purpose;
  2. The magistrate issued a warrant authorizing an unannounced entry; or
  3. The officer reasonably believes, based on particular circumstances and objective articulable facts, that giving notice of presence and purpose would endanger any person's safety or result in the destruction of evidence.
- Adds that evidence seized pursuant to a search warrant shall not be suppressed as a result of this chapter unless required by the Arizona Constitution and the United States Constitution.

**HB 2395 – Chapter 50 –  
methamphetamines; child,  
vulnerable adults; abuse**

HB 2395 states that persons who have the care or custody of a child or vulnerable adult who permit them to enter or remain in a place where there are volatile or toxic chemicals or equipment used for the purpose of the knowing manufacture of a dangerous drug, have endangered the health of the child or vulnerable adult.

Extends the dangerous drug offenses in relation to the first-degree murder classification to include the manufacture of dangerous drugs.

Amends the definition of *threshold amounts* to include the liquid suspension of methamphetamine.

**HB 2428 – Chapter 189 –  
computer crimes**

HB 2428 modernizes Arizona's criminal code regarding the use of computer technology and the Internet in crimes involving fraud, identity theft, unauthorized access into computer systems, the dissemination of proprietary and security information and sex crimes. The bill increases some criminal penalties. Also, the bill creates new crimes of luring a minor for sexual exploitation, the unlawful possession of an access device and the unauthorized release of proprietary information.

***Trade Secrets***

- Amends the definition of *property* to include trade secrets.
- Amends the theft statute to include knowingly obtaining or controlling another's trade secret without permission. The penalty ranges from a Class 1 misdemeanor to a Class 2 felony depending on the value of stolen property.
- Requires the court to preserve any trade secret admitted into evidence.

***Forgery***

- Possession of five or more forged instruments may give rise to an inference that the possessor has the intent to defraud.
- Clarifies that software and access devices can be forgery devices.
- Holds peace officers and prosecutors immune from liability when possessing forgery devices within the scope of their duties.

***Identity Theft***

- Updates identity theft statutes to include the knowingly unauthorized taking of any personal identifying information of another person.

- Defines *personal identifying information* as any identification number, access device, address or birth date.
- Holds that a peace officer in a jurisdiction where an element of the offense is committed or a result of the offense occurs may take a report.
- Allows a county attorney to file a complaint charging all violations of identity theft and other related charges against a defendant that were committed in a county in the Justice of the Peace precinct where the greatest number of violations occurred.
- Increases the penalty for taking another's identity from a Class 5 felony (1.5 years/\$150,000) to a Class 4 felony (2.5 years/\$150,000).

### ***Computer Tampering***

- Expands the computer tampering statute to prohibit:
  1. The unauthorized and knowing alternation, damage or deletion of computer programs or data (Class 4 felony = 2.5 years/\$150,000);
  2. The knowing introduction of a computer contaminant into any network, system or computer (Class 4 felony = 2.5 years/\$150,000);
  3. The reckless disruption or denial of services to any authorized user (Class 4 felony = 2.5 years/\$150,000);
  4. The reckless use of a computer, system or network in a scheme or course of conduct that seriously threatens or terrorizes a person so that a reasonable person would suffer substantial emotional distress and that serves no legitimate purpose (Class 5 felony = 1.5 years/\$150,000);

5. The knowing prevention of a computer from exiting a site (Class 6 felony = 1 year/\$150,000);
  6. The knowing obtainment of confidential information of the state, political subdivision or a medical institution that is not for public view (Class 6 felony = 1 year/\$150,000).
- Tampering with *a critical infrastructure resource* is a Class 2 felony (5 years/\$150,000).
  - Establishes the jurisdiction for charges of computer tampering shall be:
    1. In the county where the affected computer, system or network is located;
    2. In the county where the computer, property software or instruments used in the commission of the offense was located;
    3. In the county where the offender resides;
    4. In the county where any authorized user who was denied service resides;
    5. In the county where the public infrastructure was affected.
  - Authorizes the forfeiture of a computer used exclusively by the offender and that is used in the commission of the offense.

### ***Unlawful Possession of Access Devices***

- Creates a new crime of unlawful possession of an access device.
- Prohibits the knowing possession, trafficking, publication or controlling of another's access device with the intent to use it.
  1. Less than 10 access devices (Class 6 felony = 1 year/\$150,000).

2. 10-99 access devices (Class 5 felony = 1.5 years/\$150,000).
  3. 100 or more access devices (Class 4 felony = 2.5 years/\$150,000).
- Possession of 10 or more access devices without the consent of the owner may give rise to the inference that the person possessing the access devices intended to use them.

### ***Unauthorized Release of Proprietary Information***

- Creates a new crime of unauthorized release of proprietary information.
  1. Prohibits the unauthorized release of proprietary information or confidential computer security information including codes.
  2. Exempts dissemination of security information and encryption products that are not specific to a particular computer, network or system.
  3. Unauthorized release of proprietary information is a Class 6 felony.
  4. Unauthorized release of proprietary information of a critical infrastructure resource is a Class 4 felony (2.5 years/\$150,000).

### ***Interception of Communications***

- Clarifies that the Attorney General or a county attorney may petition for an order to intercept wire, electronic or oral communications in cases involving the sexual exploitation of children.
- Clarifies that child monitoring devices are exempt from the prohibition of unauthorized interception of communications.
- Permits an agency or political subdivision to obtain a search warrant, subpoena, or

court order to retrieve oral, wire and electronic communications of a subscriber that is in the possession of a computer service provider.

- Allows an agency or political subdivision to request a service provider to preserve records, communication content in its possession, pending the issuance of a court order for up to 90 days. Prohibits a person from notifying the subscriber of the preservation request. Request may be renewed for an additional 90 days.
- Allows the Attorney General or county attorney to issue a *subpoena duces tecum* to a service provider to obtain communication service records in connection with a criminal investigation or prosecution for any offense in which the prosecutor believes a computer was used. Allows the service of a subpoena on a provider who does business in Arizona or who provides services in Arizona.
- Defines *communication service records* as billing records, access logs, and records of the path of an electronic communication between points of origin and delivery. These records do not include content.

### ***Sex Crimes Against Children***

- Establishes the crime of luring a minor for sexual exploitation.
  1. Defines the crime as offering or soliciting sexual conduct with another with the belief the other person is a minor.
  2. It is not a defense to prosecution that a peace officer masqueraded as a minor.
  3. Luring a minor for sexual exploitation is a Class 3 felony (3.5 years/\$150,000).

- Authorizes the forfeiture of equipment used exclusively by the offender and used in the commission of the offense.
- Updates the prohibition against providing obscene materials to minors to hold that the recipient's web page, address and domain name may indicate the recipient is a minor.
- Requires the court to seal child pornography introduced as evidence.
- Provides civil immunity to a person who upon discovery and in good faith reports the discovery of visual depictions of sexual exploitation of a minor.
- Provides an affirmative defense to prosecution to a charge of sexual exploitation of a minor that the person upon discovery and in good faith reports the discovery of visual depictions of sexual exploitation of a minor.

#### ***Telecommunications Fraud***

- Modernizes the statute prohibiting telecommunications fraud by including electronic mail and software.

#### ***Other Provisions***

- Provides new terminology and definitions for *access device*, *computer contaminant*, *critical infrastructure resource* and *personal identifying information*.
- Deletes archaic statute relating to the use of telegraph and telephones, reading telephone and telegraph messages or sealed letters, sending anonymous or forged letters.
- Adds a severability clause.

### **HB 2472 – Chapter 160 – retail theft; omnibus**

HB 2472 provides enhanced penalties for various specified conduct regarding the shoplifting of goods. The bill creates new crimes relating to shoplifting.

#### ***Provisions***

- Increases the civil penalty for shoplifting from \$100 to \$250 for adults. Maintains a civil penalty of \$100 for emancipated minors.
- Establishes a Class 5 felony (1.5 years/\$150,000) for shoplifting during a *continuing criminal episode* regardless of the value of the goods shoplifted. Defines *continuing criminal episode* as shoplifting from at least three stores within a three-day period.
- Establishes new crimes relating to the possession or use of a shielding device or tool to remove alarm sensors or to shield shoplifted goods from detection. Such crimes are Class 6 felonies (1 year/\$150,000).
- Prohibits the knowing *manufacture* or *sale* of a coated bag that is intended to shield merchandise from detection from an electronic or magnetic alarm sensor.
- Prohibits the knowing *possession* of a coated bag intended to shield merchandise from detection with the intent to commit shoplifting.
- Prohibits the knowing *possession* of any tool or device that is designed to remove any theft detection device with the intent to remove any theft detection device.
- Prohibits the intentional, unauthorized *removal* of a theft device prior to purchase.

- Mandates a Class 6 felony (1 year/\$150,000) for any person who, with intent to defraud a merchant, reproduces, possesses, or uses a retail sales receipt or a Universal Product Code (UPC) label.
- Increases the penalty to a Class 5 felony (1.5 years/\$150,000) if the person possesses either: (1) a device for manufacturing or altering receipts or UPC labels; or (2) at least 15 fraudulent retail sales receipts or UPC labels.
- In addition, the person is subject to a fine of three times the amount represented on the receipts or product codes.

### **HB 2660 – Chapter 172 – enterprises; penalties; effective compliance programs**

HB 2660 amends the process of assessing a criminal fine on an enterprise for a violation of law.

#### ***Provisions***

- Requires the court to reduce the criminal fine by 25 per cent if the court finds, by the preponderance of the evidence, the enterprise had an *effective program to prevent and detect violations of law* (hereinafter referred to as “effective program”) in place at the time the enterprise committed the offense. The court is to set forth on the record the reasons in support of its findings.
- Lists the criteria for an effective program. At a minimum, the enterprise shall:
  1. Establish standards to be followed by the employees;
  2. Delegate responsibility to oversee compliance with the standards;

3. Delegate such responsibility with due care;
  4. Communicate the standards through training and publications;
  5. Comply with standards by self-monitoring and self-reporting;
  6. Enforce standards through discipline;
  7. Take reasonable steps to respond to a violation and to prevent further similar violations.
- Sets forth factors the court shall consider when determining what type of action is necessary for an enterprise to have an effective program. These factors include:
    1. The size of the enterprise;
    2. The likelihood that certain violations would occur because of the nature of its business;
    3. The prior history of the enterprise.
  - Holds that failure to follow industry standards required by government rule weighs against a finding of an effective program.
  - Holds that failure to prevent or detect a violation of law, by itself, does not mean the program is not effective if the court finds the enterprise exercised due diligence in establishing its program.
  - Holds that an effective program was not in place if:
    1. High level personnel or an individual responsible for the enforcement of the effective program are involved in the offense;
    2. There was unreasonable delay in reporting the offense (no longer than 72 hours);



3. The enterprise willfully obstructed the investigation or prosecution of the offense;
  4. The government discovers the offense before the enterprise discloses the offense and the enterprise knew or should have known of the offense.
- Holds that there is a rebuttable presumption that an effective program was not in place if an individual with substantial supervisory authority participated in the offense.
  - Requires the court to impose a presumptive fine of the allowable range for the criminal fine. Mandates the court to aggravate or mitigate the fine based upon the following listed factors. Requires the court to set forth on the record its calculation of the fine.
    1. The income and assets of the enterprise and the economic impact of the penalty.
    2. Prior misconduct of the enterprise.
    3. Degree of harm caused by the offense.
    4. Pecuniary gain resulting from the offense.
    5. Duration of the offense.
    6. Whether the enterprise breached a fiduciary duty during the commission of the offense.
    7. Whether the offense posed a threat to the market.
    8. The role of directors, officers or principals in the offense.
    9. Good faith efforts to comply with applicable requirements.
    10. Whether the offense involved a vulnerable victim due to age or

physical or mental condition or a victim particularly susceptible to criminal conduct.

11. The obligation of the enterprise to pay restitution.

12. Any other factor the court deems appropriate.

- Permits the court to consider aggravating and mitigating factors when imposing a criminal fine for a misdemeanor.
- Requires the court to *assess a fine that is five times the maximum penalty* if the court finds the enterprise engaged in the following conduct whether or not the enterprise maintained an effective program:
  1. If the enterprise continues its conduct after receiving actual knowledge of the violation of the law;
  2. If the enterprise acts with malice;
  3. If the enterprise's conduct poses an immediate threat to public health and safety and continues the conduct after receiving notice of the violation.

### **HB 2705 – Chapter 182 – wrongful death actions**

HB 2705 allows the children or parents of a deceased person to bring a wrongful death action on their own instead of having a personal representative bring the suit on their behalf.

### **SB 1022 – Chapter 4 – DUI: affirmative defense**

*SB 1022 was substituted for HB 2429 on third reading of bills.*

SB 1022/HB 2429 eliminates the affirmative defense provision in Arizona's driving under the influence (DUI), extreme DUI and the boating under the influence (BUI) laws. It also requires the prosecution to prove an additional element in these cases that the person's blood alcohol content (BAC) resulted from alcohol that was consumed either before or while driving.

#### ***Provisions***

- Eliminates the affirmative defense provision in the DUI, Extreme DUI and BUI laws that the prosecution must prove the person had an illegal BAC at the time of driving if the person provides some credible evidence that the person's BAC was under the legal limit at the time of driving.
- Requires the state to prove that the person's illegal BAC resulted from alcohol consumed either before or while driving or being in actual physical control of the vehicle or watercraft.

### **SB 1024 – Chapter 29 – juveniles: disposition; restitution**

SB 1024 permits the Arizona Department of Juvenile Corrections (ADJC) to retain jurisdiction over a juvenile when the juvenile is convicted of a felony offense committed while in an ADJC secure care facility and is placed on adult probation. Also, the bill makes further changes to the statutes relating to the juvenile court system.

#### ***Provisions***

- Establishes guidelines delineating when ADJC may retain jurisdiction over a juvenile who is convicted of a felony offense in adult court and who committed the offense while residing in a secure care facility operated by ADJC.

- A juvenile shall be discharged from the ADJC jurisdiction if the juvenile is sentenced to the state Department of Corrections.
- A juvenile may be discharged from the ADJC jurisdiction if the juvenile is placed on adult probation and all of the following apply:
  1. The juvenile has completed the minimum length of stay at ADJC that was assigned by the juvenile court;
  2. The juvenile would have been eligible to be placed on conditional liberty; and
  3. The juvenile is subject to the jurisdiction of an adult probation department.
- Requires the juvenile court to inform a juvenile that failure to appear in court pursuant to an order or failure to comply with an order shall result in the suspension of the juvenile's driver license. Currently, the court *may* order ADOT to suspend the juvenile's driver license.
- Allows the court to impose a term of probation longer than one year if the offense involved a violation of Title 13, Chapter 14 (sexual offenses) or Chapter 35.1 (sexual exploitation of children).
- Clarifies the authority of the court to require a juvenile who has been adjudicated delinquent or the juvenile's parent or guardian to make restitution to the victim or the victim's family.
- The court shall consider the juvenile's age, physical and mental condition and earning capacity when determining restitution.

- The court shall order the juvenile to pay restitution to the victim's estate if the victim has died.
- Sets specific time frames when a juvenile hearing officer must inform the juvenile court of the officer's cases.
- Requires a juvenile hearing officer to notify juvenile court within five days that the juvenile has been charged with an offense and shall list the charges.
- Requires a juvenile hearing officer to transmit a copy of the citation and the officer's findings and disposition to the juvenile court within five days after disposition.

### **SB 1083 – Chapter 107 – juvenile competency**

SB 1083 restructures and clarifies the current statutory framework for juvenile competency proceedings by adding to the Title 8 juvenile competency statutes the language found in the Title 13 adult competency statutes and striking the internal statutory references to Title 13. Second, the bill delineates the duties of a court-appointed guardian ad litem for a juvenile ordered into a competency restoration program. Third, it adds the privilege against self-incrimination to statements made by the juvenile to treatment providers and to the guardian ad litem. Fourth, it requires that all reports relating to the juvenile's competency be sealed and that the defense counsel provide redacted copies of the report to the state and the court.

#### ***Provisions***

- Rewrites the juvenile competency proceedings statutes to incorporate the guidelines used for the adult competency proceedings.

- Repeals the provisions relating to the restoration for "dangerous juveniles" (SB 1083 authorizes a court to order any juvenile into a competency restoration period for up to 240 days (eight months). Currently, the court may order dangerous juveniles to a competency restoration program for up to 21 months.
- Changes the list of offenses considered by the court when it dismisses charges against the juvenile either with or without prejudice. Instead of referring to "serious offenses" listed in A.R.S. 13-604, the court determines dismissal of charges based on whether the charge requires or permits transfer to adult court pursuant to A.R.S. 13-501(A) and (B).
- Stipulates that if the juvenile's competency has not been restored:
  1. The court shall dismiss the charges *with prejudice* if the offense is a misdemeanor;
  2. The court may dismiss the charges *with prejudice* if the offense does not require or permit a juvenile to be transferred to adult court pursuant to A.R.S. 13-501(A) or (B);
  3. The court shall dismiss the charges *without prejudice* if the offense requires or permits the juvenile's transfer to adult court pursuant to A.R.S. 13-501(A) or (B).
- Expands the privilege against self-incrimination to include statements made by the juvenile to treatment providers during treatment to restore competency and to the juvenile's court appointed guardian ad litem. Currently, the privilege against self-incrimination applies to statements made by the juvenile during any examination to determine competency.

- Holds that any statement made by a juvenile to treatment providers during treatment is not subject to disclosure. Currently, only statements made during a competency examination were not subject to disclosure.
- Adds the provisions of A.R.S. 13-4504 to the juvenile competency statutes to allow the court to dismiss any misdemeanor charge if the juvenile has been adjudicated incompetent within the past year and continues to be incompetent. The court may order the initiation of civil commitment proceedings or may appoint a guardian ad litem to proceed with a dependency investigation.
- Clarifies the process for sealing all reports relating to a juvenile's competency. (Currently, the court orders all reports sealed after the juvenile is found to be unable to regain competency. No statutory authorization currently exists for the defense counsel to provide redacted copies of the report.)
- Requires the court clerk to seal and file the original report submitted by the mental health expert.
- Requires the expert to provide a copy of the report to defense counsel.
- Allows the defense counsel to redact the report and provide redacted copies to the state and the court.
- If the court orders a report be opened for the purpose of statistical analysis or scientific study, the report shall be anonymous.
- Requires reports submitted to the court by mental health experts include the expert's belief whether the juvenile may be restored to competency within the maximum allowable time frame and whether any medication the juvenile is currently taking might affect the juvenile in the process.
- Clarifies the duties of a guardian ad litem who has been appointed by the court for a juvenile who has been ordered to participate in a competency restoration program. The guardian ad litem shall coordinate the continuity of care following restoration and advise the court on the appropriateness of the treatment program.
- Requires any request for the court to order the juvenile's competency be examined to state the facts in support of the request.
- Requires the court to appoint two or more mental health experts to examine the juvenile to determine the juvenile's competency. At least one expert shall be a licensed psychiatrist. The state and the juvenile may stipulate to the appointment of only one expert. The experts are immune from liability except for intentional, wanton or grossly negligent acts.
- Specifies that the competency examination may consist of psychological, physical or neurological tests.
- Requires the county to cover the costs of any ordered competency examination. However, if a municipal court judge refers a case, the political subdivision shall pay the examination costs.
- Clarifies that when a juvenile's sanity is at issue, the court shall not appoint a mental health expert to conduct an examination until the court receives the juvenile's juvenile court records, medical records and educational records.

- Adds the definition of *clinical liaison*. This definition is currently found in A.R.S. 13-4501.

### **SB 1089 – Chapter 15 – drug, gang policy council; sunset**

SB 1089 extends the Arizona Drug and Gang Council until July 1, 2005. The bill states that the Council's purpose is to foster cooperation among state and local government and different community groups to ensure educational, treatment and prevention programs to reduce instances of substance abuse and participation in street gangs. SB 1089 is retroactive from and after July 1, 2000.

### **SB 1112 – Chapter 309 – \*sexually violent persons**

SB 1112 stipulates that a person detained or committed under the Sexually Violent Predators (SVP) laws shall be transported from Arizona State Hospital (ASH) only for the following court hearings:

1. A probable cause hearing;
2. A trial to determine if the person is an SVP;
3. A hearing for conditional release to a less restrictive alternative;
4. A hearing for discharge;
5. An evidentiary hearing where the presence of the person is required;
6. Any other court proceeding where the presence of the person is necessary;

Requires the court to adopt rules concerning the conduct of proceedings involving persons detained or committed under the SVP laws. The court rules shall ensure the safety of all persons and may allow for proceedings to be

held at ASH or held by telephonic conference or by an interactive audiovisual device.

Requires the Department of Health Services (DHS) to transport persons detained or committed pursuant to the SVP laws to and from a medical facility. DHS shall determine the appropriate level of security and restraint.

Holds DHS and the county sheriff immune from liability for good faith acts relating to the transport of persons detained or committed under the SVP laws.

### **SB 1164 – Chapter 16 – real property; invalid restrictions**

SB 1164 requires the state real estate commissioner to file a document in each county recorder's office stating that all covenants and restrictions that are based on race, religion, color, handicap status or national origin are void and unenforceable. Furthermore, the bill requires the notice to contain a disclaimer using substantially similar language found in the statute. SB 1164 also requires the document to include the legal description of the county boundaries.

### **SB1249 – Chapter 41 – certified court reporters board**

SB 1249 makes several changes and adds clarifying language relating to the laws requiring state certification of court reporters.

#### ***Provisions***

- Establishes July 1, 2000 as the starting date for the requirement that court reporters be certified by the Board of Certified Court Reporters.
- Clarifies that the Supreme Court shall administer the court reporter certification program, adopt program rules and establish and collect fees, costs and fines

and may set additional requirements for certification.

- Clarifies that the Board shall recommend to the Supreme Court rules and policies to implement certification, including a code of conduct, testing requirements, continued education requirements and fees.
- Authorizes the Board to execute appropriate disciplinary action including cease and desist orders, letters of concern, warnings and certification suspension or revocation.
- Adds that the Board shall investigate and take disciplinary action on its own motion and upon receipt of a complaint.
- Requires applicants to submit a full set of fingerprints for a background check.
- Clarifies that the Board decides whether an applicant meets the certification requirements and that the Supreme Court issues the certificate.
- Requires a person to demonstrate reasonable proficiency in making verbatim records of trials or other judicial proceedings as a condition for certification.
- Authorizes the Supreme Court to set the date and place of the examinations.
- Expands the authority of the Board to deny certification if the applicant is undergoing court ordered treatment or is legally incapacitated, has had any occupational or professional license denied, revoked or suspended, has been found civilly liable for fraud, misrepresentation, theft or conversion or for cause.
- Allows the Board to revoke or suspend a license without a hearing if there is a

finding of danger to the public health, safety or welfare while the proceeding to determine the certification revocation is pending.

- Clarifies the procedures and qualifications to obtain a temporary one-year certificate.
- States that the Board may require the applicant to include signed affidavits from three attorneys or judges whom the court reporter has reported depositions, other judicial proceedings and prepared transcripts.
- Allows the Board to refuse to issue or renew a temporary certificate for cause.
- Adds a retroactivity clause of July 1, 2000.

### **SB 1257 – Chapter 295 – radio traffic calls; evidence; admissibility**

SB 1257 allows records and recordings of public safety radio traffic calls to be admissible as evidence without testimony from a custodian of records. However, to be admissible, the records must be accompanied by a form, signed by the custodian, attesting to their authenticity.

#### ***Provisions***

- Holds that public safety radio records and recordings and any copies of the records and recordings, that are accompanied by the form signed by the custodian are deemed to be authenticated pursuant to Rule 901(b)(10) of the Arizona Rules of Evidence.
- Provides an express representation of the necessary form and specifies that records and recordings introduced with this form are deemed to be authenticated.

- Stipulates that *records and recordings* include radio calls, data compilation from and copies of emergency radio traffic records and recordings and any accompanying explanatory materials.
- States that this section does not affect the confidentiality of medical records.

### **SB 1338 – Chapter 356 – marital community**

SB 1338 deletes language holding that community property rights terminate upon the entry of a decree of legal separation.

### **SB 1344 – Chapter 35 – arbitration; deposits**

SB 1344 increases the amount the appellant must receive from a superior court judgment in a trial de novo from 10 per cent to 25 per cent more favorable than the amount of the appealed arbitration ruling in order for the appellant to get back its deposit it made when filing the appeal.

### **SB 1347 – Chapter 100 – nonconsensual liens; invalidity**

SB 1347 expands the provision declaring most nonconsensual liens to be invalid and without the force or effect of law to apply to all persons. Currently, these nonconsensual liens are invalid only if they are against a public officer's or a public employee's property. It also eliminates the provision that states if a lien is accepted for filing and is signed by the Attorney General or a county attorney, the lien is invalid.

### **SB 1353 – Chapter 373 – DNA testing; felony offenders**

SB 1353 expands the lists of crimes for which a person, when convicted or adjudicated delinquent, shall submit a deoxyribonucleic acid (DNA) sample to include homicide crimes, burglary in the first and second degree, and crimes involving the discharge, use or threatening exhibition of a deadly weapon or the intentional or knowing infliction of serious physical injury (*Currently, Arizona requires persons convicted of specified sex offenses to submit a blood sample for DNA testing.*) SB 1353 also establishes guidelines the court shall follow regarding a convicted felon's post-conviction petition to the court to order a DNA test of evidence.

#### ***DNA Collection from Convicted Felons***

- Requires the Department of Corrections (DOC), a county jail detention facility, a county probation department, or the Department of Juvenile Corrections (DJC) to secure a blood sample sufficient for DNA testing from persons convicted or adjudicated delinquent of an offense listed below and beginning on the following dates:
  1. January 1, 2001: Convictions for homicide crimes (1<sup>st</sup> degree murder, 2<sup>nd</sup> degree murder, manslaughter and negligent homicide) and burglary in the first and second degrees (burglary of a residential structure or burglary involving the use of a deadly weapon).
  2. January 1, 2002: Any offense involving the discharge, use or threatening exhibition of a deadly weapon or dangerous instrument or the intentional or knowing infliction of serious physical injury pursuant to A.R.S. 13-604.

- Requires the county probation department to collect blood samples from offenders who are convicted or adjudicated delinquent of a listed offense in another jurisdiction and who are accepted by Arizona under the Interstate Compact for the Supervision of Parolees and Probationers.
- Requires the DJC to collect blood samples from juveniles offenders who are adjudicated delinquent for a listed offense in another jurisdiction and who are accepted by Arizona under the Interstate Compact on Juveniles.
- Holds that DPS shall not secure a blood sample if DPS already has the results of the person's blood.
- Permits DPS to oversee the analysis of DNA samples, through mutual agreement, in addition to conducting the analysis.
- Requires the DPS to maintain blood samples for at least 35 years.

***DNA Testing of Evidence Pursuant to Petition for Post-Conviction Relief***

- Establishes guidelines the court shall follow regarding a convicted felon's post-conviction petition for the court to order a DNA test of evidence.
- In order for a petitioner to request the DNA test, the evidence must:
  1. be in the possession or control of the state;
  2. be related to the prosecution that resulted in the petitioner's conviction; and
  3. contain biological evidence.
- If test results are *unfavorable* for the petitioner, the court shall dismiss the petition and may request the petitioner's

sample be added to the federal DNA system offender database.

- If the test results are *favorable* for the petitioner, the court shall order a hearing and make further orders as required by the Arizona Rules of Criminal Procedure.
- Requires the court to order DNA testing if:
  1. there is a reasonable probability that the petitioner would not have been prosecuted or convicted if testing produced exculpatory evidence;
  2. the evidence still exists and is in suitable condition for testing; and
  3. evidence was not previously subject to a DNA test or other test and that further testing may resolve further issues.
- The court shall order the method and responsibility for payment of the test costs.
- Permits the court to order DNA testing if:
  1. there is a reasonable probability that exculpatory evidence would have produced a more favorable sentence or verdict and that testing will produce exculpatory evidence;
  2. the evidence still exists and is in suitable condition for testing; and
  3. evidence was not previously subject to a DNA test or other test and that further testing may resolve further issues.
- The court may order the petitioner to pay the test costs.
- Once a request for DNA testing is made, the court shall order the state to preserve all evidence that could be subject to DNA



testing. A court may hold a person in contempt or impose appropriate sanctions if a person knowingly destroys evidence after the court orders the evidence be preserved.

- The court shall select a laboratory that meets the standards of the DNA board to conduct the testing and shall order the production of all lab reports and may order the production of any underlying data and lab notes.
- The court may appoint counsel for an indigent petitioner.
- The court may designate the type of DNA testing, the procedure to be followed during testing, the preservation of samples for future testing and the elimination of samples from third parties.

#### ***Funding***

- Appropriates \$127,000 and \$60,000 from the general fund in FY2000-FY2001 to the Department of Public Safety to conduct DNA testing.
- Appropriates \$40,000 from the Arizona deoxyribonucleic acid identification system fund established in A.R.S. 41-2419 to the DPS to conduct DNA testing.

### **SB 1372 – Chapter 249 [E] – election laws; procedures**

SB 1372 is an emergency measure making numerous changes to statutes regarding elections.

#### ***Provisions***

- Allows a person to withdraw their signature from an initiative, referendum or formation or modification of a county, municipality or district petition by drawing a line through their signature and printed name on the petition.
- Allows electors to correct their residence address on their voter registration by requesting the change on an early ballot.
- Allows the county recorder to cancel the registration of a person convicted of a felony, upon receipt of notice of the conviction or when reported by the elector on a signed jury questionnaire.
- Changes from four years to two federal elections the period of time that must elapse before a county recorder may purge a voter from the inactive file.
- Eliminates the requirement that the Secretary of State transmit to the Board of Supervisors notice of the local offices being elected at the primary election.
- Prohibits a filing officer from accepting a candidate's nomination paper for state or local office unless it is accompanied by the following: 1) the nomination petition, 2) a political committee statement of organization or the \$500 threshold exemption statement and 3) the appropriate financial disclosure statement.
- Prohibits a filing officer from accepting the nomination papers of a write-in candidate for state or local office unless it is accompanied by the following: 1) the political committee statement of organization or the \$500 threshold exemption statement and 2) the appropriate financial disclosure statement.
- Allows individuals who are not members of state recognized parties to sign partisan nominating petitions.
- Eliminates the requirement that county recorders make available to the public at least 80 days prior to the election the location of polling places.

- Allows color striping of ballots to identify political parties and other alterations to accommodate optical scanning equipment.
- Allows tag lines on ballots that indicate the effect of a yes or no vote, but requires more in-depth analysis to be available at the polling place.
- Reduces the number of ballots to be printed from 102 per cent of the voter registration plus early voting to 101 per cent of registered voters.
- Allows delivery of ballots to the voting precincts.
- Allows a voter's agent to deposit a voter's early ballot at a polling place.
- Requires a recall election to be held on the next following consolidated election date that is 90 days or more after the order calling the election.
- Allows precinct committeemen to get 10 signatures or two per cent but not more than 10 per cent of qualified electors signatures on their nomination petitions.
- Establishes a 15-member study committee on voter registration information.
- Prohibits a person in possession of information derived from voter

registration forms or precinct registers from distributing, posting, or otherwise providing access to any portion of that information through the Internet without the prior written approval of the voter. The written approval of the voter is valid only if it is filed in the office of the county recorder.

- Contains an effective date of August 31, 2000 for all sections of the bill except the provision regarding posting information on the Internet.

### **SB 1441 – Chapter 114 – constables: salaries**

SB 1441 increases the annual salary for constables in precincts with 16,000 or more registered voters from a range of \$36,810 - \$44,170 to a range of \$48,294 - \$55,654. Further, it repeals A.R.S. 11-423 that prohibits counties with a population under 200,000 to pay assistants to a county officer or other employees a salary in excess of the salary of the chief deputy of the county officer. Finally, it establishes a 10-member joint legislative study committee of constables salaries to review alternative funding sources for constables salaries, the job duties of constables, the possibility of eliminating the position of constable and the process by which justice precincts are drawn.

**Committee Chairman:** Representative Gail Griffin  
**Research Analyst:** Dan Shein

### List of Bills

\* Strike-everything amendment  
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### **HB 2072 – Chapter 10 – state trust lands management**

- The state land commissioner is given additional discretionary authority relating to the issuance of special land use permits (short term) and urban land closures for dust abatement or remediation purposes.
- The timeframe for filing a conflicting application for an existing lease is clarified as 270 days rather than 9 months.
- The prepayment discount rate for all long term leases (10 years or longer) is revised: the new discount rate, effective January 1, 2001, will be no greater than the two-year average yield of the State Land Department's permanent fund bond portfolio. Leases signed prior to that date remain at a discount rate no greater than the rate established by the state treasurer.

### **HB 2073 – Chapter 185 [E] – state land: emergency management**

HB 2073 is an emergency measure broadening the types of eligible activities under gubernatorial declarations that authorize emergency expenditures. It also establishes the cooperative forestry fund in the State Land Department for the activities of the State Forester (State Land Commissioner).

#### ***Provisions***

- The cooperative forestry fund is established and administered by the State Forester. Monies are continuously appropriated for FY 1999-01, but beginning in FY 2001-02, monies are subject to legislative appropriation. Unexpended funds are transferred from federal forestry assistance programs pursuant to the federal Cooperative Forestry Assistance Act to this new fund.

These provisions are effective retroactively to July 1, 1999.

- Emergencies authorized as part of the \$2 million expenditures per fiscal year are broadened to include other risk activities such as flood, earthquake, wind and hazardous material responses. The fire suppression fund is authorized to receive reimbursements for these activities and cannot incur non-reimbursable liabilities for support of non fire all risk activities.
- Appropriates \$447,000 of existing funds from the state fire suppression fund in FY 2000-01 to the State Land Department for the wild land fire program.

### **HB 2149 – Chapter 205 [E] – \*drought emergency groundwater transfer**

HB 2149 is an emergency measure allowing transfers of groundwater between groundwater basins (overriding the statutory prohibition) on application to and approval by the Department of Water Resources (DWR) Director and on the declaration of emergency by the Governor. The DWR Director has 30 days to approve or deny the request; the approval is valid for six months or until the Director determines the transfer is no longer necessary. There may be one six month extension. Groundwater transported away from a basin outside of an active management area (AMA) pursuant to this act is subject to payment of damages.

DWR approval is based on seven conditions listed in the bill.

The act is repealed on April 30, 2001.

### **HB 2370 – Chapter 154 – mining reclamation plans; refiling deadline**

HB 2370 requires an exploration operation or a mining facility to revise and resubmit a corrected reclamation plan either: 1. within 90 days of written notification by the State Mine Inspector that the original plan was incomplete or denied, or, 2. by a mutually agreed upon timeframe for re-filing that does not materially affect the safety of the employees or cause undue hardship on the owner/operator.

### **HB 2492 – Chapter 219 – oil and gas regulation**

#### ***Publications***

- The mandatory publication requirement is changed to a discretionary requirement. No publication may include confidential information. The State Geologist shall consult with the operator of a project to obtain approval of the scope of work before any proposed publication is released.

#### ***Records***

- The Oil and Gas Commission shall provide 60 days notice to the operator before well records become subject to inspection, and, at the operator's request, shall extend the confidential period for not more than two years.
- The operator is no longer required to provide credible evidence of *substantial* harm to competitive position to request the delay, only evidence of harm.

#### ***Other***

- The State Geologist no longer has the authority to enter a property to inspect wells drilled for oil, gas, geothermal resources or helium. The administrative

staff of the Oil and Gas Commission is given this authorization .

- The Oil and Gas Commission shall adopt revised administrative rules consistent with state law and to the extent practical, the laws and regulations of the surrounding states that are active in oil and gas development, by January 1, 2001.

### **HB 2555 – chapter 349 – children hunting with parent's permit**

A minor child may use their parent's or legal guardian's big game permit or tag under certain conditions.

#### ***Provisions***

- The permit or tag must be transferred in a manner prescribed by the Game and Fish Commission.
- The parent or guardian must accompany the child and be within 50 yards when the animal is taken.
- The child must possess a class F or G license, and, if under 14, have satisfactorily completed the Arizona or another Game and Fish Department approved hunter education course.
- Any big game counts toward the child's bag limit.
- A conviction of a violation is the same as for general violations of game and fish laws: possible license revocation or suspension and denial of the right to secure another license for up to five years.

### **HB 2559 – Chapter 34 – outdoor advertising violation; enforcement**

A municipality must issue a citation and file an action regarding a violation within two years of discovering the violation.

The superior court is the body that has the jurisdiction to order removal, abatement, reconfiguration or relocation.

A municipality shall not consider each day a separate offense unless there is an immediate threat to the public health and safety.

### **HB 2599 – Chapter 179 – municipal annexation; challenge; costs**

If a property owner prevails in an annexation challenge on their property, that owner is eligible for reasonable attorney fees and court costs from the annexing municipality.

### **HB 2610 – Chapter 162 – water quality; maximum daily loads**

The law establishes a Department of Environmental Quality (DEQ) program for total maximum daily loads (TMDL). The program terminates on July 1, 2010.

#### ***List of impaired waters; data requirements; priority***

- DEQ must prepare a list of impaired waters at least once every five years.
- The agency shall consider only current credible and scientifically defensible data in the determination. Results of water sampling or other assessments of water quality qualify if the agency has determined certain criteria have been satisfied.

- DEQ shall adopt by rule the methodology to be used in identifying water as impaired.
- A water that would be considered impaired due only to naturally occurring conditions shall not be listed as impaired.
- Outlines DEQ's authority to list water as impaired. By January 1, 2002 DEQ shall review the impaired waters list as of January 1, 2000. DEQ may add or remove a water outside of the normal listing cycle.
- Establishes priority rankings and a development schedule for all TMDL's and requires a variety of factors be considered in the process of prioritizing navigable waters.

#### ***TMDL implementation plan***

- DEQ shall develop TMDL's for waters listed as impaired pursuant to this program and TMDL's required by federal law using specified techniques, data and methodologies.
- DEQ shall adopt a draft estimate of the maximum amount of each pollutant that may be added to a navigable water without exceeding its ability to achieve and maintain quality standards.
- DEQ shall make reasonable allocations among sources when developing TMDL's based on: environmental, economic and technological viability for achieving the allocation; the cost and benefit of the allocation; and pollutant reduction expected as a result of other actions.
- DEQ shall establish an implementation plan for each TMDL and provide for public notice and comment on the plan. The plan shall include a time frame for compliance and may include a phased process with interim targets.

- DEQ shall use a phased in approach for navigable waters that are impaired due in part to historical factors.
- DEQ shall review the status of affected waters at least every 5 years.
- The only portion of the program subject to a rulemaking is the methodology (ARS 49-232 C.) to be used in identifying waters as impaired.
- The items are published in the Arizona Administrative Register at least 45 days prior to submission to EPA. This is an appealable agency action that may be appealed by any party that submitted written comments. If there is an appeal, DEQ cannot include the challenged item, however, it may be submitted if it is upheld in the director's final administrative decision or if the challenge is withdrawn prior to that decision. (The September 2005 report shall include the number, disposition and impact of the appeals under this process.)

#### ***Report***

- DEQ shall submit a report by September 1, 2005 which includes: (1) an evaluation of the TMDL program, (2) recommended statutory changes, (3) the extent to which water quality problems that cannot be effectively addressed under the TMDL program may be addressed under other federal or state laws.

#### ***Impact of successful judicial appeals on DEQ decisions***

- The court appeal to overturn or modify a final administrative decision is limited to the TMDL program. If the person is successful in that appeal, DEQ must take steps to implement that decision unless that decision was submitted to and approved by EPA region 9, in which case DEQ must request the EPA regional

administrator modify their approval to reflect the court's decision.

### **HB 2611 – Chapter 85 – water: exempt wells**

A second exempt well may be drilled to serve the same non-irrigation use at the same location in an active management area under specified conditions that address the amount of water withdrawn and how the water is used.

The local health authority responsible for approving septic tanks or sewer systems must approve the location of the well after a physical inspection (for second exempt wells drilled after January 1, 2000).

The notice of intent to drill must be filed with the Department of Water Resources and must include proof that the requirements have been met.

### **HB 2640 – Chapter 95 – liquor licenses; distance from schools**

HB 2640 permits the renewal of a valid liquor license, if, on the date of the original application, the premises were beyond a 300 horizontal foot radius of a church, public or private school building or fenced recreational area adjacent to a school building.

### **HB 2706 – Chapter 96 – land conservation account grants: priorities**

The Conservation Acquisition Board in State Parks shall give priority for the 10 per cent grants (under the 1998 Growing Smarter ballot measure) to lessees of state or federal land who are required to reduce livestock production to provide public benefits such as

wildlife species conservation or wildlife habitat.

### **SB 1054 – Chapter 192 – task force on effluent reuse**

A 16-member blue ribbon task force on effluent reuse is created to identify:

1. the obstacles to the increased reuse of treated effluent;
2. appropriate consumptive uses of treated effluent;
3. methods of increasing the use of treated effluent; and
4. measures to improve public acceptance of the use of treated effluent.

The Department of Water Resources (DWR) and the Department of Environmental Quality (DEQ) shall provide technical assistance. An initial report is due on December 1, 2000 and a final report shall be issued on December 1, 2002.

### **SB 1092 – Chapter 138 – \*game and fish; publications fund; notice**

Landowners or lessees of private lands may prohibit hunting, fishing or trapping on their lands without their written permission by posting notices of certain specifications relating to size, wording and spacing.

The Game and Fish Commission may suspend, revoke or deny a license for up to five years for violations.

Renames the game and fish publications revolving fund and increase the cap to \$80,000 from \$20,000.

### **SB 1181 – Chapter 127 – state parks funds**

If a political subdivision provides at least \$150,000 annually through an inter-governmental agreement for operating a state historic park, the revenues shall be used for operating, managing and developing that park (Yuma Crossing). The 1997 session law is repealed which had a January 1, 2001 expiration date.

Revenue generated by commercial film projects in the San Rafael Valley shall be spent to operate, manage and develop that natural area.

The Conservation Acquisition Board in State Parks shall give priority for the 10 per cent grants (under the 1998 Growing Smarter ballot measure) to lessees of state or federal land who are required to reduce livestock production to provide public benefits such as wildlife species conservation or wildlife habitat.

Session law is amended to allow the Parks Board to use monies otherwise dedicated to the Tonto Natural Bridge State Park lease-purchase payoff for other acquisition and development projects upon approval of the Joint Committee on Capital Review.

### **SB 1264 – Chapter 260 – department of water resources: continuation**

The Department of Water Resources is continued until July 1, 2010. The bill has a retroactive effective date of July 1, 2000.



### **SB 1267 – Chapter 142 – multi-county water conservation district; officers**

The Central Arizona Water Conservation District (CAWCD) may appoint peace officers to protect the property along the CAP canal. The law terminates this authority effective July 1, 2005.

#### ***Provisions***

- The definition of “Peace Officers” is expanded to include those appointed by CAWCD with the requirement that those individuals must have a certificate from the Arizona Peace Officer Standards and Training Board.
- The officers may only protect property under control or operations of CAWCD; the officers cannot preempt the authority of other police agencies. CAWCD peace officers shall notify local law enforcement agencies when making a felony arrest or beginning a felony investigation.
- Officers are not eligible for the Public Safety Personnel Retirement System.
- No more than 10 employees can be designated as peace officers at any one time.
- CAWCD is not eligible to receive peace officer training fund monies and shall reimburse the Peace Officer Standards and Training Board for training and audit expenses.

### **SB 1354 – Chapter 224 – water exchanges**

Groundwater may be exchanged if the exchange is between an irrigation district and an irrigation grandfathered right holder within that district. Exemptions are provided for completing the exchange within the 12 month

timeframe and for filing a water exchange notice with DWR.

### **SB 1379 – Chapter 146 – environmental education; advisory council**

The law amends the purpose of the Arizona Advisory Council on Environmental Education (Council), specifies there shall be at least one actively employed teacher or school administrator on the council, changes the definition of environmental education and broadens the uses of funds for environmental education sites to include capital improvements.

Natural Resources Conservation Districts with an environmental education center must conduct the program *in a balanced manner, that is based on current scientific information and that includes a discussion of economic and social implications.*

The State Land Department may be reimbursed for costs associated with informing the public about the purposes and uses of the monies in the Environmental Special Plate Fund.

### **SB 1508 – Chapter 71 – non navigable streams; disclaimer of title**

In addition to ratifying the findings of the Arizona Navigable Stream Adjudication Commission (ANSAC), the law relinquishes any state claims to the beds of these waters due to the nonnavigability at the time of statehood: the Big Sandy River, Burro Creek, the Santa Maria River, the Virgin River and the small and minor watercourses in La Paz, Mohave and Yuma counties.

The State Land Department shall keep ANSAC’s reports and all evidence.

Copies of the state's disclaimers are to be recorded in each affected county.

**SB 1509 – Chapter 391 –  
irrigation grandfathered rights;  
extinguishment**

SB 1509 modifies the Department of Water Resources (DWR) rule relating to the assured water supply credit for extinguishing an irrigation grandfathered right or a type I non irrigation grandfathered right in the Prescott active management area.

The formula is:

- Through December 31, 2010: Number of irrigation acres times 1.5 acre feet per acre times 25, if those acres were irrigated at least four of the last six calendar years prior to January 1, 2000.
- Through December 31, 2010 where the above irrigation requirement was not met and beginning January 1, 2011 for all persons: the third factor is subtracting the

year in which the statement of intent is filed from 2025.

- There are three additional criteria: (1) the land has not been and will not be subdivided pursuant to a preliminary or final plat that was approved by a local government prior to August 21, 1998; (2) the land is not and will not be the location for a subdivision where an application for an assured water supply was submitted to DWR by August 21, 1998; (3) the land has not been physically developed for industrial, commercial or other non irrigation use.
- DWR must amend the assured water supply rules not later than January 1, 2002 for the revised calculation.
- The statutory formula for calculating the credit for extinguishment is repealed on June 1, 2002. (The rule would govern after that date.)

Committee Chairman: Representative Roberta Voss  
 Research Analyst: Greg Gemson

**List of Bills**

\* Strike-everything amendment

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## **SB 1220 – Chapter 372 – \*tourism and sports authority**

SB 1220 establishes a tourism and sports authority (TSA) for the purpose of constructing, financing, maintaining, operating and promoting a multipurpose facility, major league baseball spring training facilities, community youth and amateur sports facilities, recreational facilities and other community facilities or programs. If approved by the qualified electors residing in the authority, the authority may receive revenues from the following increased tax sources:

1. Car rental surcharge of 3.25 per cent or \$2.50 on each lease or rental.
2. Transient lodging tax of 1.0 per cent.

### ***Tourism and Sports Authority (TSA)***

- Establishes a TSA in Maricopa County. The TSA is a municipal corporation and has the power of eminent domain. The TSA does not have the independent authority to tax but the electors in the TSA may elect to levy taxes or surcharges as provided for in statute.

### ***TSA Board of Directors – Membership, Duties, Powers***

- The TSA has a nine member board of directors appointed by the Governor (5); President of the Senate (2) and Speaker of the House of Representatives (2) for five year terms.
- The TSA Board may adopt and use a corporate seal, sue and be sued, enter into contracts, enter into intergovernment agreements (IGA), adopt administrative rules, acquire property, and retain legal counsel. The TSA Board shall hire an executive director, keep and maintain records, and provide for the maintenance and operation of the properties owned or controlled by the TSA. The TSA

executive director is responsible for managing, administering and supervising the daily activities of the authority.

- The TSA Board and employees are prohibited from accepting gifts from lobbyists. The TSA Board and employees are also subject to the conflict of interest statutes.

### ***Constructing and Operating Facilities***

- SB 1220 provides that the TSA *shall* construct and operate multipurpose facilities and *may* construct major league baseball spring training facilities and other amateur sports and recreational facilities. The county or city in which the multipurpose facility is located shall provide the land, infrastructure and parking facilities associated with the multipurpose facility. The TSA shall hold legal title to the facility. The TSA is required to establish disadvantaged business enterprise participation goals for its contracts. The TSA is also subject to a performance audit by the Auditor General every ten years.

### ***Multipurpose Facility***

- The TSA *shall* lease or purchase land and construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility.
- The TSA executive director is required to take all necessary actions to ensure that the multipurpose facility is constructed according to schedule and budget and may use design-build methods to expedite the design and construction of the facility.

### ***Major League Baseball Spring Training Facilities***

- The TSA may acquire land or construct, finance, furnish, improve, market or promote the use of existing or proposed

major league baseball spring training facilities.

- The TSA shall require financial participation from the county or city in which the facility is located.
- Before undertaking the construction of a new project the TSA may consider the costs of renovating existing facilities.

***Community Recreational Facilities***

- The TSA may acquire land or construct, finance, furnish, maintain, improve, operate, market or promote the use of community youth and amateur sports facilities, recreational facilities and other community facilities or programs.
- The TSA shall require financial participation from the county, city or school district in which the facility is located.
- When evaluating community recreation projects, the TSA shall give priority to youth recreational facilities that are adjacent, in proximity or of benefit to public schools.

***Financial Provisions***

- Starting in 2001, the TSA shall adopt a budget before June 30 of each year. The TSA shall maintain a general fund divided into the following accounts:
  1. ***Construction Account:*** Consists of monies received by the TSA from any source for the purpose of funding the cost of constructing a multipurpose facility including financial participation from private and public sources. The account also includes the proceeds of bonds issued by the authority.

2. ***Facility Revenue Clearing Account:*** Consists of revenues from dedicated public funding sources, payments received from leasing or renting property owned or leased by the TSA, gifts, grants and donations, revenues from admissions, concessions, and other proceeds.

Monies in this account shall be distributed each month into the TSA debt service account and to the operating account for the TSA.

3. ***Tourism Revenue Clearing Account:*** Consists of revenues received from the increase in car rental surcharge and the increase in the hotel tax. Monies in this account are distributed to: 1) the annual debt service on bonds and other debt obligations issued by the TSA; 2) the state tourism fund; 3) the Cactus League promotion account; 4) TSA operating account; 5) youth and amateur sports facility fund; and 6) the TSA operating account.
4. ***Operating Account:*** The operating account may be used to operate, market, promote, furnish and equip a multipurpose facility; to pay all administrative costs of the TSA; and to retire debt. The TSA shall maintain a reserve for future operating costs of the TSA and for the repair and replacement costs associated with the multipurpose facility of at least \$25 million.
5. ***Cactus League Promotion Account:*** The Cactus League promotion account shall be used to acquire land or construct, finance, furnish, improve, market or promote existing or new major league baseball spring training facilities.

### 6. *Youth and Amateur Sports Facilities*

**Account:** The youth and amateur sports facilities account shall be used to acquire land or construct, finance, furnish, improve, market or promote the use of community youth and amateur sports facilities, recreational facilities and other community facilities and programs.

- The *voters* in the TSA boundary may approve the imposition of two additional taxes as follows.

1. ***Car Rental Surcharge:*** Allows a car rental surcharge of 3.25 per cent or \$2.50 on each lease or rental, whichever is more. The surcharge is in effect for 30 years. Provides exemptions from the surcharge.

Revenues collected from this surcharge shall be distributed by the State Treasurer each month as follows:

- a) \$2.50 on each lease contract to the county stadium district established in the county in which the TSA is located.
- b) The remaining amount to the TSA for deposit into the tourism revenue clearing account.

2. ***Tax on Hotels:*** Allows an additional 1.0 per cent tax on the transient lodging classification of the transaction privilege tax in the TSA boundaries. Revenues collected from this tax shall be transmitted by the State Treasurer to the TSA for deposit in the tourism revenue clearing account.

- Provides that the State Treasurer shall retain the revenues from the new taxes from the TSA until sufficient monies are dedicated to the deficiencies corrections fund to make the school improvements required by law.

### *Revenue Bonding Provisions*

- Allows the TSA to issue revenue bonds for the principal amount to pay for any multipurpose facility purpose, pay necessary bond expenses, establish and fully or partially fund any reserves, refund any bonds issued by the TSA.
- Prescribes how the TSA must issue and sell bonds, deposit bond proceeds, secure the principal and interest on bonds, pay bonds and call bonds.
- Provides that bonds issued under this law are obligations of the TSA – not obligations of the state nor do they constitute debt of the state.

### *General Provisions*

- Provides changes to the tourism fund statutes to provide in the first year after the bill is enacted the separate accounting of monies deposited into the tourism fund from the TSA tourism revenue clearing account. Provides that after June 30, 2001 the tourism fund shall receive 3.5 per cent of the gross revenues collected during the previous fiscal year from the transient lodging classification; 3.0 per cent of the gross revenues collected during the previous fiscal year from the amusement classification; and 2.0 per cent of the gross revenues collected during the previous fiscal year from the restaurant classification. *{See also Laws 2000, Chapter 375 (SB 1519) for similar provisions.}*
- Provides that all transaction privilege tax (TPT) retail, amusement, and restaurant revenues collected **at** the multipurpose facility shall be deposited in the TSA's facility revenue clearing account. Revenues collected from the prime contracting classification of the TPT at the multipurpose facility shall be deposited in the TSA's construction account. Also

provides the TPT from the retail, amusement and restaurant classification collected at professional sporting events at a university campus be deposited in the TSA's facility revenue clearing account.

- Provides that the Department of Revenue shall separately account for revenues collected at a multipurpose stadium district or at professional football contests held at university stadiums for the retail classification, the amusement classification, the restaurant classification and the prime contracting classification.
- Provides that college football contests held at a multipurpose facility would be subject to the amusement classification of the TPT tax.
- Provides that the personal income tax collections from any professional football team domiciled in Arizona shall be separately accounted for by the Department of Revenue. Also requires the Department of Revenue to adopt and enforce rules for the collection of income tax for income earned in this state by professional athletes.
- Provides that the football franchise shall retain the rights over the football uses in the facility except for major college bowl games.

### *Election Issues*

- Provides that before an election is held to increase the car rental surcharge and the increase to the hotel tax, the TSA shall enter into a binding agreement with a regular user of the purposed multipurpose facility for the duration of the taxes.
- Requires the major user of the multipurpose facility to contribute \$85 million toward the construction and development costs of the facility.
- Allows the TSA to select one or more sites for the facility and enter into one or more IGAs with the affected county and cities. The TSA shall give special consideration to sites that are offered without cost in determining the best financial circumstances to be considered with all other factors in selecting the site or sites.
- Provides that the election to increase the car rental surcharge and the increase to the hotel tax shall occur at the next general county election and must be called before August 1, 2000.
- Provides a conditional repeal of the act if the voters reject the levy of a surcharge on car rentals and a tax on hotels.

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**Committee Chairman:** Representative Jean McGrath  
**Research Analyst:** Kathi Knox

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**HB 2374 – Chapter 104 – functional literacy; inmates; release**

HB 2374 requires an inmate to achieve functional literacy at an eighth grade level in order to utilize any earned release credits and begin a term of community supervision. An exemption is provided for inmates who: are unable to achieve an eighth grade literacy level due to a medical, developmental or learning disability; are classified as level five offenders and therefore present a severe institutional or public risk; are foreign nationals; have less than six months to serve; and those who are scheduled for release within one year of the effective date of the act.

HB 2374 also provides that an inmate who tests positive for prohibited drugs will lose five days of earned release credits for each positive test.

**HB 2376 – Chapter 93 – inmates; internet access**

HB 2376 prohibits an inmate from using a communication service provider or remote computing service to send or receive mail. The Arizona Department of Corrections (ADC) is authorized to impose sanctions against an inmate for a violation of this prohibition. The bill also denies an inmate access to the Internet through the use of a computer, computer system, network, communication service provider or remote computing service, unless authorized by ADC. Use of the Internet without authorization is classified as a Class 1 misdemeanor (up to six months in jail/up to \$2,500 fine).

**HB 2629 – Chapter 181 – peace officer standards; board; duties**

HB 2629 modifies the powers and duties of the Director of the Department of Public Safety (DPS) and the Executive Director of the Arizona Peace Officer Standards and Training Board (AzPOST Board).

***Provisions***

- Transfers the responsibility from the DPS Director to the Executive Director of the AzPOST Board to enter into contracts and disburse monies.
- Modifies the requirement to provide recommendations on matters relating to law enforcement and public safety to the Governor, the Legislature and the DPS Director by eliminating the requirement to provide written recommendations to the Director.
- Maintains the administrative support services that are currently provided to the AzPOST Board by DPS. Defines *administrative support services*.
- Retains the current process followed by the Law Enforcement Merit System Council to establish rules regarding personnel issues, but modifies statute to include both DPS and the AzPOST Board.

**HB 2662 – Chapter 220 – security guards**

HB 2662 modifies the requirements to obtain a license to work as a security guard.

***Provisions***

- Expands the Private Investigator Hearing Board to include a member of the security guard industry.
- Outlines the process to investigate a security guard licensee, including hearings

before the Board, authorized actions by the Department of Public Safety (DPS) and appeals.

- Increases the qualifications to obtain an agency license to operate a private security guard service and to obtain a security guard registration certificate. Requires an agency to identify their training requirements and employees who are armed security guards.
- Establishes a separate license for armed security guards. In addition to the requirements that apply to security guards, an armed security guard applicant must also meet the legal requirements to possess a gun or firearm, may not have been dishonorably discharged from the U.S. armed services and must not have been convicted of any crime involving domestic violence. The bill includes reporting requirements for employers of armed security guards, authorizes DPS to issue armed security guard registration certificates and requires an armed security guard to display an identification card at all times while employed.
- Requires DPS to investigate credible evidence that a licensee has been arrested for, charged with or convicted of an offense that would preclude the person from holding a security guard license. Allows DPS to conduct state criminal history records checks to update and verify the status of current license holders.

### **SB 1018 – Chapter 291 – department of juvenile corrections; sunset**

SB 1018 continues the Arizona Department of Juvenile Corrections for 10 years, until July 1, 2010.

Terminates the State Educational System for Committed Youth Board as of July 1, 2000 and removes the requirement for the superintendent of the state educational system for committed youth to submit quarterly reports to the Board on academic progress and achievement of the students.

Contains a retroactive effective date of July 1, 2000.

### **SB 1023 – Chapter 25 – Arizona state boxing commission; continuation**

SB 1023 continues the Arizona State Boxing Commission to July 1, 2001. This provision is effective retroactively to July 1, 2000.

### **SB 1084 – Chapter 97 – state board of education; revisions**

SB 1084 modifies State Board of Education responsibilities relating to proficiency exams, vocational and technological education, disciplinary actions and year-round schools.

#### ***Provisions***

- Deletes the reference to reading, grammar and mathematics as subjects that a proficiency exam shall cover and specifies that the proficiency examination shall consist of only a professional knowledge test and subject knowledge test. The professional knowledge test covers a person's ability to teach and manage a classroom. The subject knowledge test is specifically related to grade level and subject matter.
- Eliminates the current exemption for Arizona residents and those applicants who attended Arizona State University, Northern Arizona University or the University of Arizona and requires

everyone who applies for an Arizona teaching certificate to pass each component of the proficiency examination.

- For purposes of meeting federal law, requires the Board to serve as the State Board for Vocational and Technological Education (SBVTE) and establishes a minimum of four meetings per year in order to execute the powers and duties of the SBVTE.
- Provides that the Board, rather than the Department of Education, has the authority to conduct investigations relating to disciplinary action against certified personnel. States that all information received by the Board during, rather than after, an investigation of immoral or unprofessional conduct is confidential and not a public record.
- Clarifies that the responsibility to supervise year-round school year operation programs rests with the Superintendent of Public Instruction, not with the Board.

### **SB 1362 – Chapter 144 – community colleges; leases**

Allows community college district boards to adopt policies that are deemed necessary and to delegate to the chancellor or president of the district the authority to lease property. Prohibits a board from delegating the authority to execute a lease that exceeds \$100,000 per year. Provides that a delegation made by the board may be rescinded at any time.

### **SB 1368 – Chapter 264 – social security numbers; postsecondary education**

SB 1368 clarifies the means by which students, faculty and staff are notified of the option to obtain an identification number other than the individual's social security number.

Current law requires notice to students, faculty and staff be provided in admissions applications, telecommunications and in college catalogs. The bill retains the requirement to notify community college faculty and staff, but does not specify the method of notification. The notice for students must be included in community college catalogs no later than June 30, 2000. The bill also permits electronic transfer of student transcripts between educational institutions and includes a retroactive effective date of August 6, 1999.

### **SB 1407 – Chapter 251 – fingerprinting**

SB 1407 modifies the existing fingerprint clearance card system and addresses issues that have been identified since the program was implemented in August 1999. This system applies to individuals who are required to have a state-issued clearance card to work with children or developmentally disabled clients.

#### ***Provisions***

- Brings Department of Health Services and Department of Economic Security (DES) statute into conformity with FBI requirements relating to the exchange of criminal history information.
- Clarifies that Department of Juvenile Corrections employees are required to

pass a fingerprint check but are not required to have a clearance card.

- Requires notice be provided to the Department of Public Safety (DPS) if an agency, contractor or employer has credible evidence that a person who holds a clearance card has either: 1) been arrested for a crime that disqualifies the person from holding a class one or class two clearance card or 2) provided false information to the employing agency.
  - Authorizes DPS to conduct state criminal records checks on current security guard license holders in order to update and verify their status.
  - Deletes authority for a contract provider to hire a person to work with juveniles who is awaiting trial or has been convicted of a disqualifying crime. Applies to contracts with the Administrative Office of the Courts and DES. Current law allows a person without a card to work, as long as the person works under direct visual supervision.
  - Requires applicants for information technology positions with the Department of Administration (DOA) to submit fingerprints in order for DPS to conduct a state and federal criminal records check. The DOA Director may request current employees to submit fingerprints as well. An information technology position is defined as one that requires access to restricted data.
  - Clarifies that possession, use or sale of marijuana, dangerous drugs or narcotic drugs disqualifies a person from receiving a class one fingerprint clearance card. Currently, such a crime is a disqualifier only if committed on school grounds or near schools.
- Modifies Board of Fingerprinting procedures as follows:
    1. Allows the Director of the appointing agency to designate an alternate member to the Board.
    2. Eliminates the requirement for the Board to hold a hearing for every request for a good cause exception. The bill makes a distinction between a good cause exception determination and a good cause exception hearing. A hearing is required only if the Board will deny the request or if the Board needs additional information to make a decision.
    3. Outlines the process that applies if a good cause exception was issued before August 1999 and states that a person who received a good cause exception from the Board does not have to repeat the appeals process and will receive a clearance card.
    4. Deletes the provision that allows agencies that serve similar populations to use a *common good cause exception standard*.
    5. Requires a unanimous decision to grant a good cause exception, not just agreement by the Board members who represent agencies that serve similar populations.
    6. Allows the Board to issue interim approval to allow a person to continue to work until a decision is made on a request for a good cause exception.
    7. Requires a fingerprint clearance card to be issued to a person who receives a good cause exception.
  - Changes the grandfathering date for individuals who were fingerprinted before

the new clearance card system was implemented, from July 1, 2000 to the effective date of the original legislation, which was August 16, 1999.

**Committee Chairman:** Representative Lou-Ann Preble  
**Research Analyst:** Kathi Knox

### **List of Bills**

\* Strike-everything amendment

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### **HB 2050 – Chapter 320 – \*health insurance plan task force**

HB 2050 creates a nine member task force to study the viability and implementation of a statewide health care insurance plan. The items the task force shall review are outlined in the bill. The task force shall submit an interim report by December 15, 2000 and a final report by December 15, 2001.

### **HB 2051 – Chapter 64 – sanitary districts; fees**

HB 2051 allows sanitary districts to charge late fees and file a lien on leased residential property if required fees have not been paid within a specified time frame.

- Stipulates that sanitary districts may charge a late fee if any required fees are not paid within 15 days after the regular due date. Provides that unpaid user fees, as well as the added late fee, accrue interest at the rate of 10 per cent.
- Specifies that when user fees are not paid within 90 days after the due date, the district may impose a lien on leased residential property. However, a lien may not be imposed if two conditions exist: 1) the lessee of the residential property has agreed in writing to be responsible for the fees, and 2) the owner of the leased residential property has recorded a copy of the written agreement in the office of the county recorder in the county where the property is located.

### **HB 2319 – Chapter 217 – appropriation; Hopi senior center**

HB 2319 appropriates \$50,000 from the general fund in FY 2000-01 to the Department of Economic Security for

disbursement to the Hopi Tribal Council to assist in the construction and design of a senior citizens' center at Kykotsmovi.

### **HB 2502 – Chapter 68 – \*counties; hospital costs; appropriation; extension**

HB 2502 authorizes the Arizona Health Care Cost Containment System (AHCCCS) to use an existing appropriation to pay claims against Apache and Navajo counties in FY 2000-01 associated with providing health services to Native Americans who are referred off-reservation to receive care. The appropriation is exempt from lapsing; however, any remaining monies as of June 30, 2002 revert to the general fund.

### **HB 2620 – Chapter 380 – appropriation; Ganado school district**

HB 2620 appropriates \$50,000 from the general fund in FY 2000-01 to the State Board of Education. The monies shall be used for capital costs for Ganado School District to house a comprehensive educational program in partnership with institutions of higher education. The appropriation is non-lapsing.

### **HB 2664 – Chapter 73 – health service districts; formation**

HB 2664 changes the petition requirements to form a health service district so that a petition requesting the establishment of a health service district must be signed by persons that collectively own more than 25 per cent, rather than one half, of the assessed valuation of the property in the area of the proposed district.



**SB 1227 – Chapter 89 –  
geographic names board;  
continuation**

SB 1227 continues the State Board on Geographic and Historic Names for 10 years, to July 1, 2010. This provision is effective retroactively to July 1, 2000.

**SB 1310 – Chapter 232 – fire  
districts; powers and duties**

SB 1310 expands the powers and duties of fire districts as follows:

- Requires fire districts to determine payment for all district personnel, not just for fire fighters' training and fire protection services.
- Allows fire districts to provide services, as well as employ any personnel, necessary for fire protection, preservation of life and to carry out other duties of the district. Provides authority to establish fees for services.
- Authorizes a fire district to enforce the uniform fire code when expressly authorized by the State Fire Marshal.

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**Committee Chairman:** Representative Jerry Overton  
**Research Analyst:** John Halikowski

### List of Bills

\* Strike-everything amendment

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### **HB 2001 – Chapter 198 – commercial vehicles; plate to owner**

HB 2001 establishes a *plate-to-owner* system requiring vehicle owners to retain the license plates upon ownership transfer of a vehicle, and if applicable, transfer the license plates to a replacement vehicle.

#### ***Provisions***

- Requires vehicle owners to retain the license plates when transferring vehicle ownership to another person. Retained plates must be transferred to another vehicle, surrendered to the Motor Vehicle Division (MVD) or an authorized third party or destroyed within thirty days.
- Mandates that the person acquiring a vehicle applies for title or title and registration within 15 days of the date the conveying owner relinquishes ownership of the vehicle.
- Stipulates that the acquiring owner must display a temporary registration plate, other appropriate registration permits or a valid license plate on the vehicle pending MVD recording ownership transfer unless the acquiring owner is an insurer assuming ownership pursuant to a claim settlement.
- Authorizes MVD to transfer license plates to another vehicle if: a) the vehicle is of a similar type; b) the owner makes proper application to MVD or an authorized third party; c) the owner pays a transfer fee of \$12 and any other required fees or taxes.
- Allows the owner to obtain a credit for the unexpired portion of the annual fees and taxes on the vehicle when transferring plates to another vehicle.
- Prohibits the Arizona Department of Transportation (ADOT) from issuing a refund of any unexpended portion of fees and taxes paid by the owner unless:
  1. The owner is not claiming a credit (transferring the plate) and;
  2. The unexpended portion of the fees and taxes exceeds \$350.
- Requires fleet operators to notify MVD when a license plate has been removed from an assigned vehicle and enables MVD to allow retention of plates for transfer to another vehicle by fleet operators.
- Appropriates \$900,600 from the state highway fund to ADOT to implement the plate-to-owner system.
- Contains a delayed effective date of December 31, 2001.

### **HB 2033 – Chapter 333 – appropriation; transportation projects**

Appropriates \$1,540,100 in FY 2000-01 to the Arizona Department of Transportation (ADOT) from the safety enforcement and transportation infrastructure fund in the following amounts:

- \$500,000 for Yuma Metropolitan Planning Organization (MPO)-San Luis port city road improvements.
- \$180,000 for Yuma MPO-San Luis consultancy services.
- \$117,000 for Santa Cruz County truck circulation consultancy study.
- \$550,000 for South Chino road truck bypass in Douglas.

- \$75,000 for city, state, and federal parking lot in Douglas.
- \$118,000 for ADOT motor vehicle division modular trailer operating expenses.

### **HB 2100 – Chapter 321 – highway projects; advancement notes**

HB 2100 establishes Highway Project Advancement Notes (HPANs) and allows cities or towns to sell HPANs either competitively or by negotiation provided the city or town enters into a *highway project advance agreement* approved by the city or town's governing board and the State Transportation Board.

#### ***Use of HPAN Proceeds***

- Requires cities or towns to use proceeds from HPAN issuance for any of the following:
  1. Advances to the Arizona Department of Transportation (ADOT) under a highway project advance agreement.
  2. Costs for issuing and administering HPANs.
  3. Reimbursement for monies previously advanced to ADOT under a highway project advance agreement.
  4. Payment of interest that accrues on the notes before maturity as authorized by the city or town.
  5. Payment of principal, premium or interest on other obligations of the city or town provided that the proceeds of those obligations are or were applied to financing the highway project to which the highway project advance agreement relates.

#### ***HPAN Revenues and Fund***

- Requires revenues received by a city or town based on a highway project advance agreement to be deposited into a special HPAN fund authorized by the city or town, or to reimburse the city or town for monies previously advanced to ADOT.
- Requires cities or towns to use HPAN fund monies to pay principal and interest on outstanding HPANs.
- Authorizes payment from the HPAN fund for outstanding HPANs including all principal, interest and redemption premiums either when due or prior to maturity.

#### ***Limitations***

- Limits the aggregate outstanding principal amount of HPANs issued by a city or town, and secured by highway project advance revenues, to the aggregate of all uncollected revenues the city or town receives under highway project advance agreements.
- Prohibits a city or town from having more than \$100 million of HPANs outstanding at any one time.
- Requires HPANs to have terms of five years or less.

### **HB 2101 – Chapter 102 – motor vehicles; dealers; factories**

HB 2101 prohibits a manufacturer, franchiser, distributor or importer of motor vehicles (*factory*) from engaging in unfair discrimination or competition among its franchisees (*dealers*). Unless otherwise qualified, HB 2101 defines competition or unfair discrimination by a factory as a single incidence of one of the following:

- Directly or indirectly offering to sell vehicles, products, or services to a retail consumer.
- Directly or indirectly controlling any aspect of the final sales price of vehicles, products, services or trade-in values in a dealer's area of responsibility without the written consent of the dealer.
- Directly or indirectly refusing to unconditionally offer or provide to its same line-make dealers all models or series offered for that line-make.
- Withholding information from its dealers regarding prospective consumers (*leads*) of vehicles or products or services. All leads must be provided in a non-discriminatory and timely manner without a fee.
- Directly or indirectly having an ownership or franchise interest in a dealership.
- A factory may:
  1. Own a dealership or operate as a dealer pursuant to conditions listed in the bill.
  2. Permanently own a minority interest in a dealership (up to 45 per cent) under specific conditions listed in the bill.
  3. Continue to advertise to sell, lease or provide products or services to its dealers or providing vehicles for promotional or charitable uses.
- Allows an Arizona franchised new car association to conduct a motor vehicle show by permit.

### **HB 2121 – Chapter 43 – state highway fund; local exchanges**

HB 2121 expands the authority of the Arizona Department of Transportation (ADOT) to exchange monies deposited in the state highway fund for local government surface transportation program monies to include Maricopa and Pima Counties.

### **HB 2244 – Chapter 46 – implied consent; traffic accidents**

HB 2244 makes technical and conforming changes to the implied consent statute that currently allows a law enforcement officer to require drug and alcohol testing of a person involved in a traffic accident that causes death or serious physical injury.

### **HB 2256 – Chapter 343 – traffic regulation; aggressive; speed; lanes**

HB 2256 is an omnibus bill that continues the Arizona Department of Transportation Motor Vehicle Division (MVD) to July 1, 2005 and establishes conditions for regulating speed and lane usage of large vehicles. In addition, HB 2256 contains provisions pertaining to Arizona's ports of entry, vehicle license tax (VLT) exemptions for members of the military, registration and insurance exemptions for all terrain vehicles travelling on dirt roads and numerous other statutory changes affecting MVD administrative and operational processes.

#### ***Speed & Lane Restrictions for Large Vehicles***

- Establishes a maximum speed limit of 65 miles per hour for motor vehicles or vehicle combinations with a declared gross weight of at least 26,000 pounds. This speed limit will also apply to

vehicles drawing a pole trailer weighing 6,000 pounds or more.

- States that the speed limit of 65 miles per hour limit does not apply to these vehicles if the Arizona Department of Transportation (ADOT) posts a higher limit based on engineering studies or if there is a lower maximum speed limit posted.
- Allows ADOT or a local authority to designate a specific lane or lanes for travel for these vehicles.
- States that lane restrictions do not apply to drivers preparing for a right-hand or left-hand turn, entering or exiting a highway or drivers who must operate their vehicle in another lane to continue on their intended route.
- Exempts buses from the speed and lane restrictions, if imposed.
- Requires ADOT or the local authority to post signs at reasonable intervals giving notice of lane and speed restrictions, if imposed.

#### ***Arizona Ports of Entry***

- Requires ADOT with cooperation from the Department of Public Safety (DPS) and the Arizona Department of Agriculture (ADA), to submit a report to the Legislative and Executive Budget Offices and the Legislature on or before September 1, 2000 explaining specific actions that the three agencies have taken to operate more efficiently and effectively at Arizona ports of entry.
- Requires ADOT to submit an updated five year master plan for the ports of entry to the Governor, the Legislature and the Joint Legislative Budget Committee (JLBC) on or before September 1, 2000.

- Requires ADOT to submit a report to the Governor, the Legislature, the Secretary of State, the Department of Library, Archive and Public Records and JLBC on or before September 1, 2001 on collection and analysis of data.

#### ***VLT Exemption***

- Provides a one-year VLT and vehicle registration fee exemption for members of the U.S. Armed Forces, including the National Guard or Army Reserve if they are called to active duty outside this state in support of a worldwide contingency operation.
- Exempts persons operating all-terrain vehicles or off-road recreational motor vehicles from the registration and insurance requirements when operating on a dirt road that is not paved or graveled, nor maintained by a city, town, county or the state.

### **HB 2450 – Chapter 157 – recreational vehicles; excess size; permits**

HB 2450 establishes a width exception for noncommercial recreational vehicles (RVs). The bill also allows the Director of the Arizona Department of Transportation (ADOT) or a local authority to issue permits allowing for commercial movement of RVs.

#### ***Provisions***

- Allows the width of an RV to exceed 102 inches only if the excess width is due to an RV appurtenance and the rearview mirrors extend the distance necessary to provide the appropriate field of view for the RV before the appurtenances were attached.
- Defines *RV appurtenance* as either an awning or its support hardware or any

appendage installed by the manufacturer or dealer that is an integral part of the RV.

- Requires ADOT or local authorities to issue a permit to qualifying owners that authorizes the commercial movement of RVs.

### **HB 2458 – Chapter 159 – release of motor vehicle information**

HB 2458 exempts a person in the business of preparing vehicle history reports from certain provisions of the statute pertaining to the commercial sale of motor vehicle records (A.R.S. section 28-452, subsections A, B, C, F & G) prohibition on the commercial sale of their record. In addition, HB 2458 defines *motor vehicle history report* and states that the information in vehicle history reports does not include names and addresses.

### **HB 2491 – Chapter 94 – delinquent registration; title; penalty waiver**

HB 2491 requires the Arizona Department of Transportation Motor Vehicle Division (MVD) to waive any title or registration penalties related to a motor vehicle when an automotive recycler, vehicle dealer or transporter applies for a dismantle certificate for that vehicle.

### **HB 2609 – Chapter 274 – appropriation; motor vehicle division projects**

HB 2609 appropriates \$2,750,400 from the state highway fund to the Arizona Department of Transportation Motor Vehicle Division (MVD) for the following customer service projects:

- On-line verification of social security numbers, \$191,200.
- Fee accounting and revenue management system, \$1,527,000.
- Integrated inventory system, \$1,032,200.

### **SB 1243 – Chapter 40 – spirituous liquor; open containers**

SB 1243 establishes a separate violation (class 2 misdemeanor) for possessing an open container of spirituous liquor or consuming spirituous liquor in the passenger area of a motor vehicle while the vehicle is on a public highway. SB 1243 exempts passengers in buses, limousines and taxis and passengers in the living quarters of a motor home from these provisions.

### **SB 1334 – Chapter 123 – \*transportation facilities construction plan**

SB 1334 requires the Arizona Department of Transportation (ADOT), in consultation with the State Board of Transportation (SBT) to develop a 20-year transportation plan and allows ADOT to procure rights-of-way for projects specified in the plan.

In addition, SB 1334 mandates that a plaintiff shall not initiate any eminent domain proceeding on the same piece of property within two years of the date of the verdict or judgement, if the plaintiff abandons or withdraws from a condemnation action and causes the condemnation action to be dismissed without prejudice prior to payment of compensation or damages awarded to the defendant.



**SB 1335 – Chapter 99 – airport:  
Grand Canyon national park**

SB 1335 eliminates the Grand Canyon Airport Authority and returns the operation of the Grand Canyon National Park Airport (GCNPA) to the Arizona Department of Transportation (ADOT) until the director leases the GCNPA to a nonprofit corporation.

SB 1335 also requires ADOT to lease the GCNPA to a nonprofit corporation selected by the Director of ADOT by March 1, 2001 without regard to any bidding, notice or requirements and permits ADOT to lease out the GCNPA for a term of not more than 20 years.

**SB 1448 – Chapter 116 – truck  
drivers; hours of work**

SB 1448 increases the number of hours drivers may work during planting and harvesting seasons if they are transporting agricultural or farm supplies within a 100-air mile radius from field to cooling facilities to the first point of packing or processing.

- Allows drivers transporting farm supplies or agricultural commodities within a 100-air mile radius of the distribution point to work 16-hour shifts, or 112 hours in a seven-day period.
- Allows a driver with special situation farm products or livestock, during 28 days a year, to drive for not more than 12 hours during a 16-hour shift.
- Permits the director of the Department of Public Safety to waive the maximum on-duty time limits for seven days if an emergency occurs.

**SB 1530 – Chapter 58 – use fuel  
taxes**

SB 1530 allows school buses and public buses to operate in this state using dyed diesel (tax-exempt) fuel. The bill also modifies the existing definitions of use class motor vehicle and light class motor vehicle.

- Allows dyed diesel fuel to be sold to a federally exempt vehicle for use on highways if there is written confirmation to the seller and the Arizona Department of Transportation that the vehicle is exempt.
- States that the only federally exempt vehicles that may use dyed diesel fuel on roadways are school buses transporting students and employees and local buses operating on a regular schedule, with a seating capacity of at least 20 passengers and are under contract with any state or local government.
- Contains a retroactive date from and after December 31, 1997.

**SB 1556 – Chapter 133 – transit  
funding**

SB 1556 requires a county, city or town to use monies it receives from the local transportation assistance fund II (LTAF II) for transit purposes, including operating and capital purposes, if it receives more than \$2,500 in a calendar year. Allows a city, town or county to use its LTAF II monies for other transportation purposes if it receives less than \$2,500 in a calendar year. SB 1556 also allows a city, town or county to enter into an IGA with an Indian tribe to provide financial assistance for maintaining or operating an existing public transit service provided by the tribe.

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**Committee Chairman:** Representative Jim Carruthers  
**Research Analyst:** Larry Chesley

### **List of Bills**

\* Strike-everything amendment  
 [E] Emergency clause

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**HB 2189 – Chapter 65 – alcoholic beverages; veterans; club exception**

HB 2189 allows active duty military service members, veterans, members of the United States Army National Guard or the United States Air National Guard or members of the United States Military Reserve Forces who are under the legal drinking age to have access to the area in which spirituous liquor is sold or consumed if the owner, lessee or occupant of the premises is a veteran's club as defined by statute.

**HB 2523 – Chapter 287 – public airport disclosure; definitions**

HB 2523 relates to public airport disclosures and specifies how territory in the vicinity of a public airport is defined.

***Provisions***

- Requires each public airport to record the map showing the exterior boundaries of each territory in the vicinity of a military airport in the office of the county recorder in each affected county.
- Specifies that the recorded map must be sufficient to notify owners and potential purchasers of property that the property is located in or outside of a territory in the vicinity of a public airport.
- Stipulates that in counties with a population of more than 500,000 persons, a property is located in territory in the vicinity of a public airport if it experiences a day-night average sound level of 60 decibels or higher. Clarifies that the average sound level is identified in either the airport master plan for the 20-year planning period or in a noise study

prepared in accordance with airport noise compatibility planning.

- Stipulates that in counties with a population of less than 500,000 persons, a property is located in territory in the vicinity of a public airport if it experiences a day-night average sound level of 65 decibels or higher at airports where that level has been identified in the airport master plan for the 20-year planning period.

**HB 2625 – Chapter 276 – bicycles; traffic laws**

HB 2625 designates what a person driving a motor vehicle should do when overtaking and passing a bicycle traveling in the same direction.

***Provisions***

- Stipulates that a person driving a motor vehicle must exercise due care by leaving a safe distance between the motor vehicle and the bicycle of at least three feet until the motor vehicle is past the bicycle.
- Stipulates that a violator of the clearance mandate, if resulting in a serious physical injury to another person, is subject to a civil penalty of up to \$500. Death to another person results in civil penalties of up to \$1,000.
- Requires the Motor Vehicles Division to include knowledge of safe driving practices and traffic laws relating to bicycles in their examination of driver's license applicants.
- Exempts violators from a civil penalty if a bicyclist is injured in a vehicular traffic lane when a designated bicycle lane or path is present and passable.

**HB 2626 – Chapter 180 [E] –  
\*department of veterans' service;  
appropriation**

HB 2626 is an emergency measure providing funding for the Southern Arizona Veterans' Cemetery.

***Provisions***

- Requires the State Treasurer to invest and divest monies from the veterans' donations fund, and stipulates that monies earned from investment be credited to the fund.
- Allows \$252,300 of the veterans' home contingency special line item to be used for pre-construction costs associated with the Southern Arizona Veterans' Cemetery.

- Requires the \$252,300 to be reimbursed to the special line item on reimbursement by the federal government for all reconstruction costs and allows the money to be expended.

**SB 1016 – Chapter 195 –  
appropriation; World War II  
memorial**

SB 1016 appropriates \$69,000 to the veterans' donation fund for the purpose of building a national memorial in Washington, D.C. to honor the veterans of World War II. The monies will be distributed to the National Memorial Advisory Board for deposit in the World War II memorial fund.

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**Committee Chairman:** Representative Bill McGibbon  
**Research Analyst:** Melodie Jones

### List of Bills

\* Strike-everything amendment  
 [E] Emergency clause

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## **HB 2037 – Chapter 184 – revised** **Arizona unclaimed property act**

HB 2037 repeals the 1981 Uniform Unclaimed Property Act (ARS sections 44-301 through 44-340) and replaces it with language that conforms to the 1995 Uniform Unclaimed Property Act, as approved by the National Association of Unclaimed Property Administrators. In most cases where the 1995 Uniform Unclaimed Property Act conflicts with Arizona law, Arizona law has been retained.

### ***Provisions***

- Incorporates the 1995 Uniform Unclaimed Property Act's time limits for when property is classified as unclaimed based on the type of property unless current Arizona law conflicts. Property not specifically classified in the Act retains the five-year general rule in current statute. Any interest associated with abandoned property is assumed abandoned at the time the property becomes classified as abandoned.
- Property is unclaimed if the apparent owner of the property has not communicated in writing or other recorded communication with the holder or the holder's representative of the property within the prescribed time limits set in the legislation for each type of property. The property remains payable or distributable despite the owner's failure to make demand or present an instrument or document required to obtain payment.
- Provides that traveler checks and money orders are subject to the custody of the state upon abandonment if the traveler checks or money order was purchased in the state or the issuer of the traveler checks or money order has its principal place of business in the state and the

instrument was purchased in a state that does not provide for escheat or custodial taking. All other requirements for the state taking custody remain as in current law. Clarifies that a state warrant does not include child support or alimony payments issued through the state.

- Broadens the ability of a holder (other than the state) to impose a reasonable charge on abandoned property within a specified time if there is a valid and written contract between the holder and the owner that allows for such charge.
- Requires that a description of all property be included on the report that holders of unclaimed property are required to submit to the Department of Revenue (DOR). Additionally, HB 2037 increases the value of property that may be shown on the report as an aggregated amount from \$25 to \$50.
- Provides that the Unclaimed Property Section of the DOR publish a list of abandoned assets once a year rather than twice a year. Adds a requirement for DOR to publish a series of display advertisements.
- Clarifies that the fixed statute of limitations and record retention period will be set at 10 years.
- Provides for an administrative hearing process for contested cases or appealable agency actions regarding unclaimed property. Provides an "Unclaimed Property Bill of Rights" (similar to the Taxpayer's Bill of Rights).
- Clarifies that the definition of property does not include de minimus property and property that is evidenced by gift certificates, electronic gift cards, nonrefundable tickets, certificates evidencing property denominated in value



other than a currency, including phone cards, frequent flyer miles, stored value cards and merchandise points.

- Allows a holder to make a one-time election to annually report the property at the same time they file their corporate income taxes.
- Eliminates the requirement that the holder of presumed abandoned property file an affidavit that they had sent a written notice to the apparent owner.
- Provides that if a holder omits from a report any amount of property that should be included and is in excess of 25 per cent of the amount of property in the report, DOR can begin action.
- Contains several technical and conforming changes.

### **HB 2093 – Chapter 187 – repeal joint legislative tax committee**

HB 2093 repeals the statutes creating the Joint Legislative Tax Committee (JLTC) and its powers and duties and sets the following tax rates in statute at their current tax rate amount:

1. County equalization tax rate for education assistance at .5271 per \$100 in assessed valuation.
2. 9-1-1 tax rate at 1.25 per cent of the provider's gross proceeds of sales or gross income derived from the business of providing exchange access services and 10 cents a month on a wireless provider for each activated wireless service.
3. Telecommunication Devices for the Deaf (TDD) tax rate at 1.1 per cent of the provider's gross proceeds of sales

or gross income derived from the business of providing exchange access services. (Please note that annual budget legislation divides this rate as 0.8 per cent to TDD and 0.3 per cent to poison control centers).

HB 2093 transfers the duties of the JLTC relating to determining the tax rates for amortization of bonds to the Director of the Department of Administration and transfers duties relating to truth-in-taxation hearings to a joint meeting of the House Ways and Means and the Senate Finance Committee.

### **HB 2226 – Chapter 394 – tuition tax credit; handicapped preschoolers**

HB 2226 extends the school tuition tax credit to preschools for handicapped students. *Handicapped student* is defined as a student who has any of the following conditions: hearing impairment, visual impairment, preschool moderate delay, preschool severe delay, and preschool speech or language delay. HB 2226 contains a delayed effective date to taxable years beginning from and after December 31, 2000.

### **HB 2324 – Chapter 384 – property tax; electrical generation facilities**

HB 2324 changes the methodology for valuing electrical generation facilities from the prior historical cost approach to a replacement cost approach, similar to how other commercial property is valued for property tax purposes. HB 2324 also provides an accelerated depreciation schedule for the personal property associated with the facility.

*Provisions*

- Provides that the Department of Revenue shall value improvements to the *real property* used in operating the generation facility as the replacement cost new less the Department's scheduled depreciation values. Distinguishes for valuation purposes between electric generating businesses and electric transmission or distribution businesses.
- Provides that the valuation of *personal property* used in operating the generation facility is the acquisition costs, less the appropriate depreciation as prescribed by the Department and accelerated as follows:
  1. 1<sup>st</sup> year of assessment = 35 per cent of the scheduled depreciated value
  2. 2<sup>nd</sup> year of assessment = 51 per cent of the scheduled depreciated value
  3. 3<sup>rd</sup> year of assessment = 67 per cent of the scheduled depreciated value
  4. 4<sup>th</sup> year of assessment = 83 per cent of the scheduled depreciated value
  5. 5<sup>th</sup> and subsequent assessments = Department's guidelines not to fall below the minimum value prescribed by the Department for property in use.
- Provides that the Department shall not value secured or unsecured personal property construction work in progress until the construction work has progressed to a sufficient degree for the personal property to be useful for the purpose for which it is being constructed.
- Provides that the Department may consider obsolescence factors when determining value. For valuation purposes, obsolescence would contain factors included in depreciation to cover a decline in the value of fixed assets due to invention of new and better processes and machines or a change in market forces.
- Provides a phase-in valuation methodology for existing plants to transfer to the new valuation methodology. The phase-in valuation methodology is as follows:
  1. For electric generation properties that were valued by the Department in tax year 2000, the value of the generation properties will be calculated as the ratio of electric production plant to total plant as reported to the U.S. Department of Energy in 1998.
  2. For tax year 2001, the value determined in tax year 2000 will be reduced by 15 per cent.
  3. For tax year 2002, the value determined in tax year 2001 will be reduced by 15 per cent.
- Provides that in counties where more than 10 per cent of assessed valuation is related to generation valuation, voluntary contributions shall be made by the generation plants to make sure that there isn't an adverse impact to those taxing jurisdictions as a direct result of this legislation. Prescribes how the voluntary contributions shall be made and provides a due date for these payments of August 1<sup>st</sup> for tax years 2001, 2002, 2003, and 2004.
- Directs the Department to submit a report on the impacts of this legislation to the President of the Senate and Speaker of the House of Representatives by November 1, 2000.
- Contains a conditional repeal of the act if the voluntary payments are not received when the payments come due.

## **HB 2329 – Chapter 48 [E] –** **\*conformity; tax relief; fiscal** **control**

HB 2329 is an emergency measure codifying the conditional provisions (triggers) enacted pursuant to Laws 1999, 1<sup>st</sup> Special Session, Chapter 5.

### ***Provisions***

- Repeals obsolete language from Laws 1999, 1<sup>st</sup> Special Session, Chapter 5, relating to conditional enactments in FY 1999-00 that did not occur.
- Appropriates a sum of \$22,470,000 from the state general fund for FY 2000-01 to the Department of Education (ADE). This corrects an error in Laws 1999, 1<sup>st</sup> Special Session, Chapter 5, because the base support level was increased permanently in FY 1999-00 but a second year appropriation was not provided. HB 2329 also includes an appropriation needed because of the enactment of the tax decrease reducing the minimal personal property value.
- Enacts the conditional appropriation for the second \$20 million to ADE contained in Laws 1999, 1<sup>st</sup> Special Session, Chapter 5, if revenues exceed the projections for FY 1999-00. Establishes the base support level for FY 2000-01 of \$2,621.62 if the trigger is activated.
- Codifies the *triggered* Vehicle License Tax (VLT) rate for FY 1999-00 by reducing the state general fund VLT rate from 23 cents per \$100 in assessed value for new vehicles to six cents per \$100 in value for new vehicles and from 24 cents per \$100 in assessed value for subsequently registered vehicles to six cents per \$100 in value for subsequently registered vehicles.
- Codifies the guaranteed \$20 million VLT reduction and the already *triggered* VLT reductions for FY 2000-01 by eliminating the state general fund VLT rate for all vehicles and by reducing the state highway fund VLT rate for all vehicles from 14 cents per \$100 in assessed value to 10 cents per \$100 in assessed value.
- Contains the remaining *triggers* for the VLT as provided for in Laws 1999, 1<sup>st</sup> Special Session, Chapter 5.
- Provides for the appropriation of monies from the state general fund to the state highway fund to hold the state highway fund harmless as the VLT rates for the state highway fund are reduced. This provision is a direction from Laws 1999, 1<sup>st</sup> Special Session, Chapter 5.
- Changes the Arizona corporate tax rate in statute from 7.968 per cent to 6.968 per cent of net income to reflect the trigger enactment contained in Laws 1999, 1<sup>st</sup> Special Session, Chapter 5. Provides an effective date for taxable years beginning from and after December 31, 2000. This is the same effective date as was provided in Laws 1999, 1<sup>st</sup> Special Session, Chapter 5.
- Repeals sections of Laws 1999, 1<sup>st</sup> Special Session, Chapter 5 that are no longer necessary once the above provisions are codified.

## **HB 2330 – Chapter 284 – \*retiring** **DPS officers; gun purchase**

HB 2330 provides that as part of a Department of Public Safety (DPS) officer's retirement benefits, the officer may purchase the officer's gun for less than fair market value. HB 2330 allows the DPS Director to sell a retiring DPS officer's gun to the officer

for \$1.00 at the time of the officer's retirement.

### **HB 2331 – Chapter 84 – property tax; administration**

HB 2331 provides a four-year phase-in and other revisions to the property administration statutes in order to implement the provisions of Laws 1999, Chapter 253 (HB 2428).

#### ***Provisions***

- Provides that if property is split or consolidated after September 30 through December 31 of the valuation year, the limited property value of the new parcel or parcels shall be established at the same level or percentage of full cash value.
- Provides that a tax levied against personal property of a person who owns real property in the county of a value of less than \$200 is a personal liability of the property owner, in addition to being a lien against the property.
- Provides that on or before October 1, the assessor shall mail a notice of valuation for persons owning *unsecured* personal property. Previous law required the assessor to mail the notice by the first Monday of the month that the unsecured personal property tax roll was certified. The property owner may appeal the valuation.
- Provides that by August 25 the assessor shall certify the unsecured personal property tax valuations to the county treasurer.
- Provides that 30 days after the first or second installment of personal property taxes becomes delinquent, the treasurer may deliver to the sheriff the tax bill directing the sheriff to seize and sell the property. Previous law allowing the

treasurer to issue the bill after only five days is repealed.

- Provides that the county assessor may administratively designate on the roll which property is subject to personal liability when forwarding the roll to the board of supervisors.
- Sets up a four-year transition period allowing the county assessors to work with the different taxing jurisdiction in order to minimize any budget impacts from the requirements in Laws 1999, Chapter 253 (HB 2428) to transition to one property tax roll.

### **HB 2334 – Chapter 397 – \*municipal telecommunications; franchises**

HB 2334 authorizes similar licensing requirements for both interstate (long distance) and intrastate (local) telecommunications providers and sets forth the fees that may be charged.

#### ***Provisions***

- Prohibits political subdivisions from requiring a telecommunications franchise.
- Repeals the interstate fiber optic communications section of law and inserts provisions governing interstate telecommunications services within current intrastate telecommunications sections of law.
- Clarifies that telecommunications providers may apply for either a license or a franchise from a municipal corporation.
- Allows political subdivisions to require interstate and intrastate telecommunications providers to obtain a telecommunications license or franchise and specifies that political subdivisions may

only require one application fee along with a license or franchise from each telecommunications provider regardless of whether the provider is performing both interstate and intrastate services.

- Clarifies that all fees and charges levied by a political subdivision on telecommunications providers must be levied on a competitively neutral and nondiscriminatory basis and directly related to the costs incurred by the political subdivision relating to the granting or administration of applications or permits.
- Prohibits the imposition of a transaction privilege tax (TPT) on interstate telecommunications services.
- Authorizes political subdivisions to charge a per linear foot charge on interstate facilities that does not exceed the highest rate of per linear foot charged by any political subdivision on April 1, 2000, and sets the per linear foot charge on the consumer price index.
- Clarifies that interstate traffic between and among the interstate points of presence are subject to the per linear foot charge and all other traffic, including intrastate network and interstate network that carries intrastate calls, is subject to the TPT. In other words, it eliminates any possibility of a double tax.
- Authorizes political subdivisions to charge application fees and permit fees to intrastate and interstate telecommunications providers on a competitively neutral and nondiscriminatory basis.
- Limits the application licensing requirements to the five requirements provided in statute.
- Limits in-kind facilities that are used to offset all payments to the cost of in-kind facilities.
- Clarifies that intrastate in-kind payments apply to intrastate fees and that interstate in-kind payments apply to interstate fees and prohibits offsetting the combination of intrastate and interstate fees by in-kind payments and services.
- Clarifies that in-kind facilities remain the property of political subdivisions after contracts expire.
- Clarifies that solely interstate telecommunications providers are not required to provide proof that the applicant has received a certificate of convenience and necessity from the Arizona Corporation Commission.
- Clarifies that US West is not required to pay an application fee.
- Provides for an arbitration procedure for disputes over recovery of reasonable, proportionate and attributable costs of construction permit fees and other statutory fees.
- Prohibits the state and cities from assessing transaction privilege taxes on Internet access fees.
- Defines *Internet* and *Internet access*.
- Provides an intent clause that directs the telecommunications industry and political subdivisions to examine the issues attendant to the implementation of this act, including reasonable costs associated with construction damage to public highways among all users, and requires a report that includes findings and recommendations by December 1, 2000.
- Clarifies that all terms and conditions of any license, franchise or permit granted

pursuant to state law on or before the effective date of this act stand.

### **HB 2336 – Chapter 17 – tax appeals; attorney fees**

HB 2336 allows the party involved in a tax dispute case to be awarded fees and other expenses in an action brought by the state, a city, a town, or a county. HB 2336 also changes the maximum award for attorney fees from \$100 to \$175 per hour and establishes a \$30,000 limit for recoverable fees awarded at each level of judicial appeal for tax disputes.

### **HB 2385 – Chapter 33 – contracting classification; exterminators; exemption**

HB 2385 clarifies that the post-construction treatment of real property for termite and general pest control, including wood destroying organisms, is exempt from the prime contracting classification, but pretreatment remains taxable. HB 2385 applies retroactively to taxable periods beginning from and after December 31, 1993.

### **HB 2451 – Chapter 334 – tax credit; school site donation**

HB 2451 allows a personal or corporate income tax credit for any real property and improvements that are donated to a school district or charter school for use as a school or as a site for the construction of a new school.

#### ***Provisions***

- Allows a personal or corporate income tax credit in the amount of 30 per cent of the appraised value of the donated property and improvement for donations to a school district or charter school of school

sites. The credit is in lieu of any tax deduction.

- Requires the donated property to be in Arizona and to be conveyed to the donee unencumbered and in fee simple.
- Specifies that the donated property must be used as a school, or as a site for the construction of a new school.
- Provides that the land donation shall not violate the buffer zone requirements for schools locating near agricultural land. Provides that a school district or charter school may refuse the donation.
- Provides that the value of the donated land is the property's fair market value determined by a certified appraisal paid for by the donee.
- Limits the total tax credit allowed for property donated by co-owners to the amount that would have been allowed a sole donor and allows a carry forward of up to five years.
- Provides an effective date for taxable years beginning from and after December 31, 2000.

#### ***School District Provisions/Responsibilities Relating to the Donation***

- The school district shall notify the School Facilities Board (Board) of any donation and shall furnish the Board with any information requested regarding the donation.
- A school district shall not accept a donation unless the Board has reviewed the proposed donation and has issued a written determination that the property is suitable as a school site or as a school. The Board will determine that any property that costs more money to make suitable than the value of the donation as

an unsuitable site and the school shall refuse the donation.

- The district may sell the property, but the proceeds from the sale shall only be used for capital projects. The Board shall withhold an amount that corresponds to the amount of the proceeds from any monies that would otherwise be due to the district from the Board.

***Charter School Provisions/Responsibilities Relating to the Donation***

- Provides that a charter school must immediately notify their sponsor of any donations the charter school receives that would qualify for a tax credit under the provisions of this act. Requires the charter school to provide the sponsor with any information requested by the sponsor regarding the donation.
- States that if a charter school does not establish a school or provide instruction on the property within 48 months or ceases to operate a charter school on the property for 24 consecutive months, the charter school shall reimburse the general fund for the amount of the allowable tax credit increased by the Gross Domestic Product (GDP) price deflator for each year.
- Provides that a tax credit constitutes a lien on the property. The lien is the amount of the allowable credit adjusted by the GDP price deflator with a maximum of 12.5 per cent over the allowable credit.
- Extinguishes the lien (1) after 10 years; (2) upon payment by the charter school of the allowable credit and any penalties and interest that may have accrued; (3) the charter school donates the property to a school district; or (4) the State Treasurer has foreclosed on the property.

**HB 2459 – Chapter 286 – \*income tax subtraction; holocaust victims**

HB 2459 provides a personal income tax subtraction for any income received as reparation payments made to victims (or first recipient heirs) of the Nazi Holocaust to the extent that the income is not already excluded under federal law. Excludes any income received as a Holocaust reparation payment from consideration when determining income eligibility for any state program. HB 2459 has a retroactive effective date of from and after December 31, 1999.

**HB 2624 – Chapter 401 – supplemental air carriers; classification; exemption**

HB 2624 provides a transaction privilege tax and use tax exemption for purchases of aircraft, navigational and communication instruments and other accessories and related equipment made by persons holding supplemental air carrier certificates under federal aviation regulations. HB 2624 applies retroactively to May 31, 1998 and prescribes the process of filing for a refund. The aggregate amount of refunds available under HB 2624 is capped at \$10,000.

**HB 2663 – Chapter 69 – closing agreements; refund; credit**

HB 2663 provides that taxpayers who have operated a restaurant or hotel on an Indian reservation qualify to receive retroactive protection under the provisions of state law that allow the Department of Revenue to enter into closing agreements when noncompliance with tax obligations has resulted from an extensive misunderstanding or misapplication of the state's tax statutes. A taxpayer who is a member of an affected class and has paid

taxes during the period covered by the closing agreement may file a claim for refund for any taxes paid in excess than what would be payable under the closing agreement. Any refund that is provided under this provision must be given to the person that actually bore the burden of the tax.

### **SB 1040 – Chapter 63 – tax corrections act of 2000**

SB 1040 is the annual tax corrections act which contains recommended technical corrections to clarify the tax statutes. The changes do not have fiscal impacts.

### **SB 1088 – Chapter 294 – board of investment; continuation**

SB 1088 extends the termination date of the State Board of Investment from July 1, 2000, to July 1, 2010. SB 1088 contains a retroactive effective date of July 1, 2000.

### **SB 1118 – Chapter 337 – severance tax; revenue distribution formula**

SB 1118 requires Department of Revenue to calculate point of sale for transaction privilege tax distribution for FY 1999-00 and FY 2000-01 based on the mining severance tax law in place before the passage of Laws 1999, 1<sup>st</sup> Special Session, Chapter 5. SB 1118 contains a retroactive effective date of October 31, 1999.

### **SB 1218 – Chapter 258 – cemeteries; property tax exemption process**

SB 1218 exempts all cemeteries that inter deceased human beings from property tax.

The owner of the cemetery property must file a one-time affidavit with the county assessor's office to claim the exemption, unless the owner sells, rezones or changes the use of the property. SB 1218 is conditionally enacted based on the voters approving SCR 1010 in the next general election.

### **SB 1237 – Chapter 259 – tax appeals; board; termination date**

SB 1237 extends the termination date of the State Board of Tax Appeals for five years to July 1, 2005. SB 1237 contains a retroactive effective date of July 1, 2000.

### **SB 1369 – Chapter 313 – \*tax credits; character instruction**

SB 1369 extends the \$200 public school extracurricular activity tax credit to include character education programs. Defines character education programs and provides that the Department of Education shall certify if a school district's or charter school program meets the requirements in order for the taxpayer to take the tax credit. SB 1369 has a delayed effective date of taxable years beginning from and after December 31, 2000.

### **SB 1405 – Chapter 296 [E] – tax allocations to corrections; extension**

A percentage of revenues received from the luxury tax on wine, liquor, cigars and cigarettes is deposited into the corrections fund. The fund is used for the construction, maintenance, operation and renovation of state prisons and juvenile facilities. The revenues the corrections fund receives from the luxury tax were set to lapse on June 30, 2000. SB 1405 is an emergency measure to extend the lapsing date to June 30, 2005.



### **SB 1417 – Chapter 252 – internal revenue code conformity**

SB 1417 revises the definition of the Internal Revenue Code (IRC) to conform to the IRC in effect on January 1, 2000, for purposes of Arizona income taxation. SB 1417 retroactively incorporates the provisions of the federal Miscellaneous Trade and Technical Corrections Act of 1999 and the federal Ticket to Work and Work Incentives Improvement Act of 1999 that are retroactively effective during those periods for federal purposes.

### **SB 1424 – Chapter 390 – property tax; corrections act**

SB 1424 makes technical and conforming changes to the Arizona property tax statutes.

#### ***Provisions***

- Adds golf courses and shopping centers to the provisions relating to the \$50,000 exemption and accelerated depreciation statutes for personal property.
- Eliminates the requirement for the Department of Revenue to submit a report each year to the Information Technology Authorization Committee on the receipts and disbursements of the client county equipment capitalization fund.
- Adjusts the truth-in-taxation base limit from FY 1998-99 to FY 1999-00.
- Requires the county assessors to provide the values necessary to compute the truth-in-taxation state rates to the Governor's Office of Strategic Planning and Budgeting and Joint Legislative Budget Committee (JLBC) staffs by February 10<sup>th</sup>. Provides a cross-reference in statute so the JLBC staff knows what net

assessed value to use when calculating the truth-in-taxation rates.

- Allows persons who owned property that was erroneously assessed city improvement district taxes or irrigation and drainage taxes to apply for a property tax refund for tax years 1996, 1997 and 1998.
- Extends the carry-forward for the defense contractor tax credits to December 31, 2011.
- Makes numerous other technical and conforming changes.

### **SB 1426 – Chapter 193 – state treasurer; technical changes**

SB 1426 makes technical corrections recommended by the State Treasurer's Office to resolve incorrect and obsolete statutory language regarding the management of state funds and the State Treasurer's duties and responsibilities.

### **SB 1427 – Chapter 125 – personal property tax collections; remedies**

SB 1427 requires county sheriffs to notify a property owner by personal service or certified mail of the sale of seized personal property and to wait three weeks after a property owner has been served or notified before commencing with the sale of the property. Notices of seizure sales must be posted in locations that are commonly observed by the general public. Improperly seized or sold property may have the 1) the sale voided; 2) entitle the property owner to redeem the property; or 3) result in the awarding of court fees to the property owner.

**SB 1493 – Chapter 265 – estate tax; filing extension**

Allows the Department of Revenue, for good cause, to grant a reasonable extension of time for filing an Arizona estate tax return. The extension granted shall not be for more than six months from the date for filing the return. A request for an extension shall be in a form prescribed by the Department.

**SB 1513 – Chapter 297 – municipal tax code commission; continuation**

SB 1513 provides that the Department of Revenue and the cities shall have a uniform licensing, collection and audit committee to direct such unified or coordinated functions.

***Provisions***

- Continues the Municipal Tax Code Commission (MTCC) for five years by extending the termination date to July 1, 2005.
  - Stipulates that the MTCC will meet once every other month. The MTCC will establish dates for subsequent meetings at the first meeting of the year. Provides that the MTCC must give at least two weeks' notice of any additional meetings held by the MTCC.
  - Provides that DOR and the cities shall have a uniform licensing, collection and audit committee to direct such unified or coordinated functions.
  - Allows the MTCC to settle disputes between cities.
- Establishes the Uniform Audit Committee.
  - Changes the membership of the MTCC to nine members with members appointed by the Governor, President of the Senate, and Speaker of the House of Representatives. Provides session law direction on the terms of existing members.
  - Provides that any changes to the Model City Tax Code adopted by the MTCC shall be adopted by all cities and towns.
  - Establishes a municipal tax-hearing officer.
  - Requires uniform application and tax return forms.
  - Provides that a city or town may submit any issue relating to a transaction privilege tax, sales, use, franchise or other similar tax or fee to the qualified electors in the city or town.
  - Provides for a retroactive effective date beginning July 1, 2000 for the MTCC and a prospective effective date of June 30, 2001 for the hearing officer.

**SB 1531 – Chapter 359 – spaceport; launch site; exemption**

SB 1531 exempts from the prime contracting classification of the transaction privilege tax proceeds for construction of a launch site and for domestic violence shelters. Contains a general effective date for the launch site exemption and a retroactive date to from and after June 30, 1999 for the domestic violence shelter exemption.

**List of Bills**

\* strike-everything amendment

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**HB 2053 – vetoed – appropriation; resin bush eradication**

HB 2053 would have appropriated \$185,000 from the general fund in FY 2000-01 to the State Land Department for distribution to the Gila Valley Natural Resources Conservation District to aid in the eradication of the sweet resin bush on state trust land in southeastern Arizona.

**HB 2114 – vetoed – children; mental health services**

HB 2114 would have combined various provisions of Arizona statutes that relate to placement of children who have mental problems and are subject to the jurisdiction of the juvenile court. HB 2114 would have clarified the procedures to place a child in the appropriate mental health facility. HB 2114 also would have established a Task Force on Behavioral Health for Children in State's Care.

***Provisions***

- Established a new article in title 8 relating to children's mental health services.
- Provided definitions of services, assessments and who is involved in the process of placing a child with a mental disorder.
- If a child shows signs of a mental disorder or is a danger to self or others, an entity may request that the child receive an outpatient or inpatient assessment.
- A psychologist, psychiatrist or physician shall conduct the outpatient or inpatient assessment and determine what services the child needs.

- If the psychologist, psychiatrist or physician makes a recommendation for inpatient psychiatric acute care services after conducting an inpatient assessment, the entity shall file a motion for these services within 24 hours of the completion of the inpatient assessment.
- If a child was admitted for an inpatient assessment and an entity failed to file a motion for inpatient acute care services within 24 hours of completion of the inpatient assessment, the child would be discharged from the inpatient assessment facility.
- Outlined the procedures and guidelines for the courts and entities involved when the child was assessed and services were established for the child. The child's attorney, when possible, would have communicated to the child the treatment recommendations and shall advise the child of the child's right to request a hearing. The child's attorney or designee shall attend all court hearings related to the child's inpatient assessment or inpatient psychiatric acute care services and shall be prepared to report to the court the child's position on any recommended assessments or treatment.
- ARS section 8-274 of the bill applied if residential treatment services are recommended after an inpatient assessment, outpatient assessment or any inpatient psychiatric acute care treatment, however, this section does not apply if the child is committed to the Department of Juvenile Corrections (DJC).
- Conformed the psychiatric care section to the residential care section that stipulates that the sections do not apply to children sentenced as adults unless the child is either a dependent or temporary dependent of the state.

- Allowed the DJC to access records pertaining to a child, if the records are obtained or created as a result of an inpatient or outpatient assessment, examination or treatment and stipulates that this information is subject to the confidentiality requirements of section 36-509.
- An entity may request that the juvenile court order a child to receive residential treatment services.
- Guidelines were outlined for the courts and all entities involved in the placement of a child in residential treatment services.
- Defined when residential treatment services are not applicable to a child.
- Established the Task Force on Behavioral Health Services for Children in State's Care.
- Members of the Task Force were not eligible to receive compensation or reimbursement.
- The committee was terminated on December 30, 2001.

Note: The provisions of HB 2114 are included in SB 1160, excluding the language relating to the Task Force on Behavioral Health Services for Children in State's Care.

### **HB 2150 – vetoed – \*post-conviction DNA testing**

HB 2150 would have established guidelines and procedures relating to a deoxyribonucleic acid (DNA) test of evidence. The bill would have:

- Allowed a convicted felon, at any time, to request a forensic DNA test of evidence. The evidence must be under the control of the court or the state, be related to the

conviction and contain biological evidence.

- Established criteria and procedures for the court to follow for post-conviction DNA testing, including establishment of a method and responsibility for payment for the costs of the testing.
- If a petition to conduct DNA testing was filed, HB 2150 required the state to preserve all evidence in the state's possession or control. The bill allowed the court to impose sanctions if evidence was intentionally destroyed after the court ordered its preservation.
- Required the court to dismiss the petition if the result of the DNA testing was not favorable to the petitioner. If the result of the testing was favorable to the petitioner, the court would have been required to order a hearing, and make any further orders required by state law or Arizona rules of criminal procedure.

NOTE: The provisions of HB 2150 are included in SB 1353 (Laws 2000, Chapter 373).

### **HB 2206 – vetoed – \*alternative fuel stations**

HB 2206 would have required the Department of Commerce Energy Office to provide grants from the Clean Air Fund for at least fifteen natural gas delivery systems at existing or proposed refueling installations.

#### ***Provisions***

- Required the Department to provide grant funding for the installation of 15 public access natural gas delivery systems at existing vehicle refueling stations.

- Required the Department to disburse the grant money no later than January 1, 2006.
- Provided that grants be allocated in the following manner:
  1. Six grants in Area A;
  2. Three grants in Area B; and
  3. One grant each in Kingman and Yuma
- Stipulated that natural gas provided by refueling stations awarded grants from the Department could not be marked up more than 15 per cent.

**HB 2232 – vetoed –  
\*appropriation; postsecondary  
financial assistance**

HB 2232 would have made an additional appropriation of \$100,000 in FY 2000-01 from the general fund to the Commission for Postsecondary Education to be directed to the Arizona Private Postsecondary Education Student Financial Assistance Program to raise the base level of funding of the program to \$500,000 for each fiscal year.

**HB 2284 – vetoed – appropriation  
ASU campuses; lease-purchase**

HB 2284 appropriated \$100,000 from the general fund to ASU East and West campuses.

***Provisions:***

- Appropriated \$50,000 to ASU West capital first-year certificates of participation costs for lease-purchase of buildings and associated infrastructure.
- Appropriated \$50,000 for ASU East capital first-year certificates of

participation costs for lease-purchase of buildings.

- Exempted the \$100,000 appropriation to ASU East and West campuses from lapsing.
- Stipulated that through lease-purchase financing the Arizona Board of Regents can continue construction at the ASU East and West campuses.
- Stated that the Joint Committee on Capital Review may evaluate issuance of certificates of participation for lease-purchases.

**HB 2285 – vetoed –  
appropriation; vocational and  
technical funding**

HB 2285 would have appropriated \$250,000 from the general fund in FY 2000-01 to the Department of Education for one-time capital funding for a vocational technical education demonstration project in an existing structure.

***Provisions***

- Would have allowed a school district to participate in the formation of a new joint technological education district or join an existing district without submitting the question to the qualified electors of the school district.
- Would have stipulated that this provision is solely for the purpose of participating in a vocational technological education demonstration project funded by the appropriation.

**HB 2316 – vetoed – \*assertive community treatment program; funding**

HB 2316 would have established a new mental health assertive community treatment program (ACT) consisting of programs and services provided through the Regional Behavioral Health Authorities (RBHA's) to the seriously mentally ill. The bill would have required the deputy director of the Department of Health Services (DHS) to establish levels of care criteria for the program to give priority to those in greatest need for services. Selection of clients for the ACT program by the Deputy Director would have been based on the functional level of the client.

Evaluation criteria would have been established prior to implementation of the program and the Auditor General would have been required to annually report, through December 1, 2003, on the program's effectiveness.

HB 2316 would have appropriated \$33,000,000 in FY 2000-01 from the state general fund to the division of behavioral health services, DHS, to implement the ACT program. Of this amount, \$275,000 would have been transferred to the Auditor General for costs associated with the reporting requirements. The Deputy Director of DHS could have limited enrollment due to legislative appropriations.

**HB 2388 – vetoed – procurement; printing services**

HB 2388 would have required specified agencies to identify printing costs, the Office of the Auditor General (OAG) to submit a report of printing operations and continuing education requirements for procurement officers.

**SB 1014 – vetoed – appropriation; DES; adult services**

SB 1014 would have appropriated \$500,000 in each of FY 2001-02 and FY 2002-03 from the general fund to the Department of Economic Security's Division of Aging and Community Services for nonmedical home and community-based care services for adults over age 60.

**SB 1298 – vetoed – \*kidney dialysis center; appropriation**

SB 1298 would have appropriated \$350,000 from the general fund to the Department of Health Services (DHS) in FY 2001-02 for distribution to a medically underserved area in a rural part of this state for the purposes of funding the start-up costs of a Kidney Dialysis Treatment Center to be built on donated land adjacent to the necessary power, water, and other infrastructure and utility services for the facility. The bill would have also exempted DHS from the procurement code requirements for the Kidney Dialysis Treatment Center project.

**SB 1300 – vetoed – \*school study; student tests**

SB 1300 would have allowed school district governing boards to adjust the frequency, content and distribution dates of the parental satisfaction survey, expanded the time period in which the nationally standardized norm-referenced achievement test may be offered by school districts, and established the 17-member Maintenance and Operations Task Force and the 21-member Joint Legislative Study Committee on the Impact of State Required Student Tests.

## **SB 1319 – vetoed – underground storage tanks; revisions**

SB 1319 would have created a municipal tank closure program (MTCP) in the Department of Environmental Quality (DEQ) and authorized a temporary additional one cent excise tax on regulated substances in underground storage tanks (USTs). Also, the eligibility requirements for state assurance account (SAF) coverage would have been modified.

### ***Funding***

- There would have been an additional one cent per gallon tax excise tax (ARS 49-1031.01) to be imposed on regulated substances placed in USTs between July 1, 2000 and June 30, 2003 (this is a prop 108); revenues would have distributed as follows: 20 per cent to the MTCP and 80 per cent to the SAF for paying approved but unpaid claims; none of the SAF monies could have been used for administrative costs; on July 1, 2003 any unexpended or unencumbered monies in the grant account would have been used for existing grant account activities pursuant to ARS 49-1072 (meeting tank performance standards, paying a portion of the corrective action co-pay, removing tanks, or paying for expedited reviews).

### ***MTCP***

- Eligibility: municipalities with a population of less than 15,000 and at least 15 USTs where the person who owns the property or controls the property or the UST is not an owner or operator.
- A municipality that applies for assistance would have submitted an application containing:
  1. A scale map that identifies each UST to be closed.

2. Evidence of tank closure consent from property owner.
3. A comprehensive cost estimate of the proposals and a copy of the request for proposals to be issued by the community upon the receipt of assistance.
4. A comprehensive plan that includes a UST closure schedule.
5. The name, address and phone number of the city staff responsible for the project.
6. A completed notification for UST form for each tank proposed for closure.

- DEQ would have considered applications in the order that they are received; the maximum award would have been \$500,000 per municipality; tanks that are not a source of release would have been eligible for assistance; DEQ shall issue a determination within 90 days of the receipt of the application; successful applicants would reimbursed up to \$30,000 for preparation costs.
- Upon project completion, the municipality would have provided DEQ with a report that includes; identification of each facility in the project; soil and water sampling information and sampling protocol; copies of lab reports and chain-of-custody forms; a description of quality assurance/quality control program used in the field; and a scaled map that would have included tank closure locations, piping, dispensers and sampling locations.
- DEQ would have issued a letter to affected persons stating that closure requirements were met upon the agency's confirmation.
- A MTCP account would have been established; a maximum of 10 per cent of



monies could have been used for administrative costs .

***Voluntary Remediation***

There would have been 100 per cent SAF coverage for permanent closure for volunteers who are not owners or operators regardless of when the release was reported provided the following conditions were met: the UST was a source of a release to native soil that requires corrective action, permanent closure has been in accordance with statutory and regulatory requirements and the release was reported to DEQ. (similar changes were passed in SB 1452.)

**SB 1348 – vetoed – \*behavioral health; accountability**

SB 1348 would have created a 12-member Task Force on Behavioral Health Accountability to provide oversight of the Behavioral Health Division within the Department of Health Services. The task force was to gather community input to have been included in a five-year strategy to improve service delivery; assess the division’s efforts

to maximize funding; require the division to conduct an annual needs assessment; and, ensure that audit findings and other recommendations were addressed by the division.

**SB 1538 – vetoed – children; psychiatric medication; consent**

SB 1538 would have established the Mental Health Care Study Committee whose responsibilities were to determine whether psychiatric medications and practices in the state have been substantiated by valid and reliable scientific studies based on scientific journal citations; to review the regulatory actions of all state boards that oversee mental health practices; and to recommend a plan for the Department of Health Services to review the use of public monies for behavioral health treatments in Arizona that are not scientifically substantiated.

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### **HCM 2003 – federal redesignation of land**

HCM 2003 attempts to prevent designation of additional national monuments or Forest Service roadless areas in Arizona without concurrence with the public, the State and Congress.

#### ***Provisions***

- Identifies current administration efforts to redesignate National Monuments including over one million acres in Arizona under the Antiquities Act of 1906.
- Identifies proposals to redesignate 40 million acres of federal lands as “roadless areas” within the US Forest Service including Arizona lands without consideration and approval of state and local interests.
- Expresses that the federal government excludes the voices of citizens in land management decisions and fails to recognize that land management and conservation efforts are best handled at the local and state level.
- Requests that the President, Secretary of the Interior and Congress prevent further designation of national monuments and Forest Service roadless areas without full public participation and express act of Congress.
- Requests a response to this memorial expressing plans to consider this request.
- Requires the Arizona Secretary of State to provide a copy of this memorial to the President, the US Secretary of the Interior, the President of the US Senate, the Speaker of the US House of Representatives and each Arizona Congress member.

### **HCR 2004 – modernizing constitutional text; disabilities**

HCR 2004 modernizes text in the constitution pertaining to voting age and incapacitated persons.

#### ***Provisions***

- Decreases the Arizona voting age requirement from 21 to 18.
- Makes technical and conforming changes.

### **HCR 2019 – Honorable Donald R. Aldridge**

A concurrent resolution on the death of Donald R. Aldridge. Donald Aldridge was born in Lake Linden, Michigan in 1937. He served in the United States Army for eight years as both an enlisted man and commissioned officer before beginning public service in numerous capacities. Don Aldridge served as Republican county chairman, precinct committeeman, deputy registrar and Mohave County Supervisor. In 1983, Donald Aldridge was elected to the Arizona House of Representatives where he served 16 years, including Speaker of the House in 1997.

### **HCR 2028 – \*property taxation valuation limitation; seniors**

HCR 2028, upon the approval of a majority of the voters at the next general election, provides a constitutional amendment to allow a property valuation protection option on the primary residence for taxpayers who are 65 years of age or older based on qualifying income levels.

#### ***Provisions***

- Provides that an Arizona resident who is 65 years or older may apply to the county assessor for a property valuation

protection order on the person's primary residence.

- Provides that the person's gross income shall not exceed 400 per cent of the supplemental security income tax benefit rate. If the property is owned by more than one person, then the combined gross income of the residents shall not exceed 50 per cent of the supplemental security income tax benefit rate.
- Provides that if the property valuation protection order is approved, then the property shall remain fixed at the full cash value in effect during the year the property valuation protection option was filed for as long as the owner remains eligible. The taxpayer must reapply for the protection order every three years.

### **HCR 2038 – forest restoration**

HCR 2038 identifies that increasing tree densities lead to severe problems involving western pine forest ecosystems and requests implementation of cooperative programs of forest restoration.

#### ***Provisions***

- States that the National Commission on Wildfire Disasters has declared that negative conditions in the tree dense areas have led to disaster prone fire environments.
- Expresses concern for five million acres of Arizona and New Mexico land at high risk of disease infestation.
- Identifies various fires since 1990 as evidence of extensive watershed resources and community losses.
- Identifies various dangers associated with forest ecosystem problems including the loss of human lives, property and social

infrastructure, habitats of endangered species and water resources.

- States that forest ecosystem health can be restored by creating fuel breaks, removing trees to create presettlement densities, removing excess wood and plant fuels, removing diseased, insect infested or dead trees and implementing prescribed fires.
- Encourages all state agencies to participate in cooperative programs of forest restoration at the landscape level with their federal counterparts.

### **HCR 2040 – Officer Floyd “Skip” Fink**

A concurrent resolution on the death of Officer Floyd “Skip” Fink who was tragically killed in the line of duty on February 18, 2000. Skip Fink was born in Miami, Arizona in 1946. Skip served in the United States Army from 1966 until 1968 before joining the Department of Public Safety in 1972. During his career as a highway patrol officer, Skip received many honorable duties including Governor's security and crisis and hostage negotiations.

### **HCR 2041 – Brett C. Buckmister**

A concurrent resolution on the death of Officer Brett C. Buckmister who was tragically killed on March 21, 2000. Brett Buckmister was born in Mesa, Arizona on January 13, 1973. After serving a church mission in the Phillipines-Naga, Brett graduated from the Arizona Law Enforcement Academy in June of 1999. Officer Buckmister was stationed as a patrol officer in Page.

### **HJR 2001 – denouncing new national monuments.**

HJR 2001 attempts to prevent the federal government from designating national monuments in Arizona without participation, consent and approval of local governments, Legislature and Congress. On Tuesday, January 11, 2000, President Clinton signed a proclamation creating two national monuments in excess of one million acres of land in the State of Arizona. These areas of land are now known as the Grand Canyon-Parashant National Monument located in the northwest corner of the state and the Agua Fria National Monument located north of Phoenix.

#### ***Provisions***

- Identifies the establishment of national monuments in Arizona as a misuse of the Antiquities Act of 1906.
- Distinguishes that the people and government of Arizona did not give consent or approval to the establishment.
- Expresses concern for the significance of potential economic impact on Arizona in the act of establishing national monuments.
- Expresses that the federal government violates states' rights by failing to recognize that local government is the best administrator for land management and conservation efforts.
- Denounces the designation of two new national monuments in Arizona without concurrence at the local, state and congressional level.
- Specifies that Congress prevent further designation of national monuments in Arizona without concurrence at the local, state and congressional level.
- Requires the Arizona Secretary of State to transmit a copy of the resolution to the President, Secretary of Interior, President of the US Senate, Speaker of the US

House of Representatives, and each Arizona member of Congress.

- Makes a technical change.

### **HR 2001 – Diamondbacks accomplishments**

A House resolution honoring the 1999 Arizona Diamondbacks baseball team for reaching the playoffs in only its second season by winning the National League West division with 100 wins. Numerous players were recognized for their accomplishments with in-season and post-season awards and for leading the National League in several statistical categories. The House commends the Arizona Diamondbacks players, executive staff and their fans for an outstanding season and extends best wishes for their continued success.

### **HR 2002 – honoring Jacob V. Hamblin**

A House resolution honoring Jacob V. Hamblin for his missionary works in conjunction with the Native Americans of northern Arizona and southern Utah. Jacob, a Mormon missionary, contributed greatly to the settlement of Arizona being the first white man to circumnavigate the Grand Canyon and to cross the Colorado River at Pearce and Lee's Ferry.

### **HR 2004 – death resolution: Carroll Fyffe**

A House resolution expressing regret on the death of Carroll M. Fyffe. Carroll Fyffe was born in Louisa, Kentucky on November 15, 1936. Carroll served 30 years in the United States Army before retiring at the rank of colonel. After his retirement, Carroll continued to be active in numerous veterans' organizations including the Military Order of

the Purple Heart, the Distinguished Flying Cross Society and the Arizona Veterans Service Commission.

### **HR 2005 – Dr. Amy Houston**

A House resolution on the death of Dr. Amy L. Hardeman-Houston. A native of San Marcos, Texas, Dr. Houston spent her career as a valued educator and administrator in the Phoenix Area. Dr. Houston gave freely of her time, energy and abilities to numerous civic and professional organizations.

### **HR 2006 – Delta Sigma Theta Sorority**

A House resolution commending the women of the Delta Sigma Theta Sorority and the Phoenix Metropolitan Alumnae Chapter for their outstanding civic and educational achievements. The sorority has played an active role in the in the struggles concerning African-Americans and the need for community involvement.

### **HR 2007 – Jim Miller**

A House resolution on the death of James E. Miller. Jim Miller was born on March 1, 1927 in Riverside, Illinois. After retiring from military service as a World War II Navy veteran, he moved to Arizona and worked as a business management and marketing consultant for 35 years. In 1986, Jim was elected to the Arizona House of Representatives where he served his constituents in Phoenix until 1990. In addition to his legislative service, Jim Miller served as precinct committeeman and captain and was active on the Republican State Committee.

### **HR 2008 – Kevin Uliassi balloon journey**

A House resolution commemorating the accomplishments of Kevin Uliassi and his efforts to balloon around the world. An Arizona resident, Mr. Uliassi attempted to become the first solo pilot to circle the world in a balloon. Although due to mechanical difficulties, Kevin did not complete his journey, he was successful in promoting and generating international goodwill.

### **SCM 1001 – Pittman-Robertson Act revenue distribution**

SCM 1001 requests that Congress reconsider the formula currently used in the Pittman-Robertson Act to ensure the equitable future distribution of funds received from excise tax revenues collected from the sale of firearms and ammunition.

### **SCM 1006 – court appointed task force**

SCM 1006 requests the Chief Justice of the Arizona Supreme Court appoint two citizens and at least two legislators to the Maricopa County Integrated Family Task Force.

### **SCR 1001 – Debbie Davenport: auditor general**

SCR 1001 states that Debra K. Davenport is approved for appointment by the Legislature to serve as the Auditor General. Debra K. Davenport is a Certified Public Accountant who is subject to the standards and ethics of the accounting profession as regulated by the State Board of Accountancy.

**SCR 1005 – corporation  
commission; members**

SCR1005, upon the approval of a majority of voters at the next general election, increases the number of Corporation Commission members from three to five and changes their terms from six years to four years. It permits members of the Corporation Commission to hold office for two consecutive terms. SCR1005 requires the additional two members to be elected at the 2002 general election and that the terms initially be two years beginning the first Monday in January, 2003.

**SCR 1006 – \*wildlife  
conservation management**

SCR 1006 establishes upon approval by a majority of the voters at the next general election a requirement for two-thirds of votes cast to pass initiatives that permit, limit or prohibit the taking of wildlife, or the methods or seasons thereof.

**SCR 1010 – cemeteries; property  
tax exemption**

SCR 1010, upon the approval of a majority of the voters at the next general election, amends the Arizona Constitution to exempt all cemeteries from property tax.

**SCR 1025 – John Dougherty**

A Senate resolution on the death of John Dougherty. A former military officer, college professor, state senator and activist in local politics, John Dougherty distinguished himself as an outstanding public servant.

**SCR 1026 – Len Jackson**

A Senate resolution on the death of Len Jackson. Len Jackson was a small businessman, Rotarian, investor and patent holder. He ably served the Arizona Legislature by overseeing the smooth operation and maintenance of the Capitol complex buildings.

**SR 1002 – honoring Aracely  
Gurrola for volunteerism.**

SR 1002 congratulates Aracely Gurrola on receiving the Prudential Spirit Community Award for her outstanding record of community service and extends best wishes for her continued success.

**SR 1003 – Mia Yocopis:  
volunteerism award**

SR 1003 congratulates Mia Yocopis on receiving the Prudential Spirit of Community Award for her outstanding record of community service and extends best wishes for her continued success.

**SR 1004 – Honorable Norman  
Fain**

A Senate resolution on the death of the Honorable Norman Fain. Norman Fain served as a state senator for two terms and was a sponsor of "Right to Work" legislation. Norman Fain embarked on many business endeavors including the Fain Land & Cattle Company.



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W/O       Without Emergency  
W/S       Without Signature

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